Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

April 30, 2014

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: CFTC Regulations 40.2(a) and 40.6(a) Certification. Notification Regarding the Listing of Weekly and EOM Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) and Weekly and EOM Options on Dow Jones Industrial Average Index ($10 Multiplier) Futures Contracts and Corresponding Rulebook Chapter Amendments.
CBOT Submission No. 14-081

Dear Ms. Jurgens:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") is self-certifying to the Commodity Futures Trading Commission ("CFTC" or "Commission") the listing of weekly and End of Month ("EOM") options on the following two (2) contracts effective on Sunday, May 18, 2014 for trade date Monday, May 19, 2014:

1. Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures

2. Options on Dow Jones Industrial Average Index ($10 Multiplier) Futures

Product Title	CBOT Rulebook Chapter	Ticker Symbol
Weekly Options on Dow Jones Industrial Average Index ($10 Multiplier) Futures	**26A**	**Week 1: ZD1 Week 2: ZD2 Week 4: ZD4**
Weekly Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures	**27A**	**Week 1: YM1 Week 2: YM2 Week 4: YM4**
EOM Options on Dow Jones Industrial Average Index ($10 Multiplier) Futures	**26A**	**EOM: EZD**
EOM Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures	**27A**	**EOM: EYM**

The first listing of these contracts will be: May Week 4 and June Week 1 expiry for the weekly options, and May EOM and June EOM expiry for the EOM options. Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures will be listed for trading on CME Globex and Options on Dow Jones Industrial Average Index ($10 Multiplier) Futures are listed for trading on CME Globex and the CBOT trading floor.

There will be two (2) concurrent weekly options and two (2) concurrent EOM Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures and Dow Jones Industrial Average Index ($10 Multiplier) Futures available for trading.

The minimum number of out-of-the-money strike prices available for trading for Weekly Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures and Dow Jones Industrial Average Index ($10 Multiplier) Futures will be 30. The minimum number of out-of-the-money strike prices available for trading for EOM Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures and Dow Jones Industrial Average Index ($10 Multiplier) Futures will be 60. (See Appendix A, attached).

The Exchange is also self-certifying the inclusion of the terms and conditions for the new contracts into the Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the CBOT Rulebook in relation to the listing of the new contract (See Appendix D, attached under separate cover). These terms and conditions establish the all month/any one month accountability levels, expiration month position limit, reportable level, diminishing balance and aggregation allocation for the new contracts. In addition, the Exchange is self-certifying the non-reviewable ranges ("NRR") for the Contracts into Rule 588.H (See Appendix C, attached).

Exchange business staff responsible for the new products and the Exchange legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, Exchange staff identified that the new products may have some bearing on the following Core Principles:

- Compliance with Rules: Trading in these contracts will be subject to the rules in Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in this contract will be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

- Contracts not Readily Susceptible to Manipulation: These new products are not readily susceptible to manipulation due to the deep liquidity and robustness in the underlying market, which provides diverse participation and sufficient transactions to support the final settlement.

- Prevention of Market Disruption: Trading in the contracts will be subject to the Rules of the Exchange, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the futures contracts proposed herein will be subject to monitoring and surveillance by CME Group's Market Regulation Department.

- Position Limitations or Accountability: Adopting a spot month position limit on a futures equivalent basis that is commensurate to the underlying futures contracts covered by the options is appropriate and in accordance with the guidelines included in CFTC Part 150.

- Availability of General Information: The Exchange will publish information on the contracts' specification on its website, together with daily trading volume, open interest and price information.

- Daily Publication of Trading Information: Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.

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- Execution of Transactions: Options on E-mini Dow Jones Industrial Average Index ($5 Multiplier) Futures are listed for trading on CME Globex and Options on Dow Jones Industrial Average Index ($10 Multiplier) Futures are listed for trading on CME Globex and the CBOT trading floor. The contracts will be listed for trading on CME Globex and the CBOT trading floor. The CME Globex platform provides a transparent, open, and efficient mechanism to electronically execute trades on screen.

- Trade Information: All required trade information included in the audit trail and sufficient for the Market Regulation Department to monitor for market abuse.

- Financial Integrity of Contracts: All contracts traded on the Exchange will be cleared by CME Clearing, a derivatives clearing organization registered with the Commission and subject to all Commission regulations related thereto.

- Protection of Markets and Market Participants: Chapter 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions in the contracts.

- Disciplinary Procedures: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in these contracts will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in these products are identified.

- Dispute Resolution: Disputes with respect to trading in these contracts will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a) and 40.2(a), the Exchange hereby certifies that the contracts comply with the Act, including regulations under the Act. No substantive opposing views to the listing of the contracts were expressed to the Exchange. A description of the cash market for the contracts is attached as Appendix B.

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

If you require any additional information, please contact the undersigned at (212) 299-2200 or via e-mail at Christopher.Bowen@cmegroup.com. Please reference CBOT Submission No. 14-081 in any related correspondence.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments:

Appendix A – CBOT Rulebook Chapter 26A and 27A Amendments (blackline and clean)
Appendix B – Cash Market Overview and Deliverable Supply Analysis
Appendix C – Rule 588.H – Non-reviewable Range Table
Appendix D – CBOT Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (under separate cover)

APPENDIX A

(Additions are underlined; Deletions are [bracketed] and ~~struck-through)~~

Chapter 26A
CBOT® Dow Jones Industrial Average℠ Index[1]
($10 Multiplier) Futures Options

26A00. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on CBOT Dow Jones Industrial Average℠ (DJIA℠) Index ($10 Multiplier) futures. The DJIA is a price-weighted composite index of 30 of the largest and most liquid U.S. stocks. In addition to the rules of this chapter, transactions in options on CBOT $10 Dow ℠ futures shall be subject to the general rules of the Exchange insofar as applicable. For purposes of this Chapter, unless otherwise specified, times referred to herein shall refer to an indicate Chicago time.

26A01. OPTIONS CHARACTERISTICS

26A01.A. Contract Months

The months listed for trading are January through December, provided however, that the Exchange may determine not to list a contract month. For options that are traded in months in which CBOT $10 Dow futures are not traded, the underlying futures contract is the next futures contract that is nearest to the expiration of the option. For example, the underlying futures contract for the October or November option contract is the December futures contract.

26A01.B. Trading Unit

One CBOT $10 Dow futures contract of a specified contract month.

26A01.C. Minimum Fluctuations

The premium for options on CBOT $10 Dow futures shall be in multiples of one-half (1/2) of one index point of a CBOT $10 Dow futures contract which shall equal $5.

However, a position may be initiated or liquidated in CBOT $10 Dow futures options at a premium ranging from $1.00 to $4.00, in $1.00 increments per option contract.

26A01.D. Trading Hours

The hours for trading of options on CBOT $10 Dow futures shall be determined by the Exchange. Options on CBOT $10 Dow futures shall be opened and closed for all months and strike prices simultaneously, or in such other manner as determined by the Exchange.

On the last day of trading in an expiring option, the closing time for such option shall be the same as the closing time of the underlying futures contract, and immediately following the close the expiring CBOT $10 Dow futures options shall be closed with a public call, made strike price by strike price, or in such other manner as the Exchange shall direct.

26A01.E. Exercise Prices[2]

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the March

[1] "Dow Jones℠", "The Dow℠", "Dow Jones Industrial Average℠" and "DJIA℠" are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by the Board of Trade of the City of Chicago, Inc. ("CBOT"). The CBOT's futures and futures option contracts based on the Dow Jones Industrial Average℠ are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of trading in such products.

~~[2] Revised June 2008; October 2010~~

Quarterly futures contract and shall equal the daily settlement price of the nearest expiring Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of 50 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 500 without remainder, e.g. 10,000, 10,500, 11,000, etc. The Exchange shall list all exercise prices in a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 100 without remainder, e.g. 12,300, 12,400, 12,500,etc.

For the nearest expiring option in the March Quarterly Cycle, exercise prices that are integers divisible by 50 without remainder shall be added, if they have not already been listed, within a range of 10 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add on the next trading day, all eligible exercise prices in the corresponding ranges. New options may be listed for trading up to and including the termination of trading.

2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

3. Dynamically-Listed Exercise Price

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

4. Options in the European Style Weekly Option Series

At the commencement of trading, the Exchange shall list all exercise prices within 30 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.

5. Options in the European Style "End-of-Month" Options Series

At the commencement of trading, the Exchange shall list all exercise prices within 60 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.

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

26A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits

26A01.G. ~~[[Reserved]]~~ Underlying Futures Contract

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contact is the next futures contact in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contact.

3. Options in the European Style Weekly Option Series

For options in the European Style weekly options series, the underlying futures contract is the next future contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for the first (1st), second (2nd) and fourth (4th) April and May weekly options shall be the June futures contract; the underlying futures contract for the first (1st) and second (2nd) June weekly options shall be the June futures contract; the underlying futures contract for the fourth (4th) June weekly options shall the September futures contract.

4. Options in the European Style “End-of-Month” Options Series

For options in the European Style “End-of-Month” options series, the underlying futures contract is the next futures contract in the March cycle that is nearest the expiration of the option. For example, the underlying futures contract for options in the January or February European Style “End-of-Month” option series is the March futures contract, while the underlying futures contract for options in the March European Style “End-of-Month” option series is the June futures contract.

26A01.H. Nature of Options

The buyer of one CBOT $10 Dow futures put option may exercise his option at any time prior to expiration (subject to Rule 26A02.A), to assume a short position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one CBOT $10 Dow futures put option incurs the obligation of assuming a long position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a put option buyer.

The buyer of one CBOT $10 Dow futures call option may exercise his option at any time prior to expiration (subject to Rule 26A02.A), to assume a long position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one CBOT $10 Dow futures call option incurs the obligation of assuming a short position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a call option buyer.

26A01.I. Termination of Trading

1. Options in the March Quarterly Cycle

Subject to the provisions of Rule 26A01.D., for options expiring on the quarterly cycle, trading shall terminate at the same date and at the same time as the underlying futures contract. [~~For options that expire in months other than those in the quarterly cycle, options trading shall terminate on the third Friday of the option contract month, at the end of the regular trading session. If that day is not an Exchange business day, options trading shall terminate on the first preceding business day.~~]

2. Options Not in the March Quarterly Cycle

For options that expire in the months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange Business Day, options trading shall terminate on the first preceding Business Day. In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Options in the European Style Weekly Options Series

For options in the European Style Weekly Options Series, trading shall terminate at 3:00 p.m. on the Friday of the named week of the contract month.

For the first (1st) weekly option of the month, if the first Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday. However, if the first Business Day immediately preceding the Friday falls in the preceding calendar month, the first weekly options shall not be listed for trading.

For the second (2^{nd}) weekly option of the month, if the second Friday of the monthly is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

For the fourth (4^{th}) weekly option of the month, if the fourth Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

4. Options in the European Style "End-of-Month" Options Series

For options in the European Style "End-of-Month" Options Series, trading shall terminate at 3:00 p.m. on the last Business Day of the contract month. In the event that the underlying futures market does not open on the scheduled options Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

In the event of an option expiring on a shortened Trading Day, the fixing calculation shall be performed based on the market activities during the thirty-second period immediately preceding the close of the underlying stock market.

26A01.J. Contract Modification

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

26A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise and assignment of CBOT $10 Dow futures options.

26A02.A. Exercise of Option

26A02.A.1 Options Not in the European Style "End-of-Month" Series and European Style Weekly Options Series

The buyer of a CBOT $10 Dow futures option may exercise the option on any business day prior to expiration by giving notice of exercise to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on such day.

Notwithstanding the provisions of the preceding paragraph, for options with quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of the expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House. For options with non-quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House.

For options with quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of the expiration. For options with non-quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of expiration.

An option is in-the-money if the settlement price of the underlying futures contract is less in the case of a put, or greater in the case of a call, than the exercise price for the option.

Unexercised CBOT $10 Dow futures options with quarterly expirations shall expire at 6[~~7~~]:00 p.m. on the day of the expiration.

Unexercised CBOT $10 Dow futures options with non-quarterly expirations shall expire at 6[~~7~~]:00 p.m. on the day of expiration.

26A02.A.2 Options in the European Style "End-of-Month" Series and European Style Weekly Options Series

Following the termination of trading of an option, all in-the-money options shall be automatically exercised by the Clearing House on the day of expiration of the option. All out-of-money options shall be abandoned by the Clearing House on the day of expiration of the option. Whether an option is in or out of the money shall be determined based on the fixing price of the CBOT E-mini Dow Jones Industrial Average index futures on the day of expiration as follows:

Tier 1 Take the thirty (30) second average of sale prices of the E-mini Dow Jones Industrial Average index futures contract on Globex, weighted by volume, from 2:59:30 to 3:00:00 p.m.

Tier 2 If no sales occurred during the thirty-second interval noted above, take the midpoint of each bid and ask spread for the E-mini Dow Jones Industrial Average index futures and average the resulting midpoint over the thirty-second interval. However, when looking at each bid/ask spread, if it is wider than 2 ticks (2 index points), the bid/ask pair shall be discarded in the calculation.

Tier 3 If the fixing price cannot be determined by both Tier 1 and 2, or there is trading interruption in the E-mini Dow Jones Industrial Average index futures market on Globex at any point from 2:58:00 to 3:00:00 p.m. time due to system outage or trading stoppages, including stoppage pursuant to Rule 580.3, take the thirty (30) second average of sale prices of the CBOT $10 Dow Jones Industrial Average Index futures contract of the same contract month as the underlying futures contract, from 2:59:30 to 3:00:00 p.m.

Tier 4 If the fixing price cannot be determined pursuant to Tier 1, 2 and 3, the Exchange shall take into consideration any other information it deems appropriate to determine the fixing price. This information may include, but is not limited to, the following, and procedures to determine the information may be performed in any order by the Exchange: (1) derive the fixing price based on basis relationship against the underlying cash index level; (2) repeat Tier 1, 2 or 3 at ever increasing 30 second increment intervals until data is obtained.

The calculation of the fixing price shall be rounded to the nearest index point.

~~In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.~~

An option is deemed in the money if the fixing price of the underlying futures contract lies strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put. For example, if the fixing price were 12,351 or higher, then 12,350 calls shall be exercised. If the fixing price were 12,349 or lower, then 12,350 calls shall be abandoned. Similarly, if the fixing price were 12,349 or lower, then 12,350 puts shall be exercised. If the fixing price were 12,351 or higher, the 12,350 puts shall be abandoned.

Options in the European Style Weekly Options series and European Style "End-of-Month" Series may not be exercise prior to the expiration of the options. At the expiration, in-the-money options may not be abandoned and out-of-money options may not be exercised.

26A02.B. Corrections to Options Exercises

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after the 6:00 p.m. deadline 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) an unreconciled 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 the deadline. 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.

26A02.C. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members' open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position in the underlying futures contract if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised or a short position in the underlying futures contract if a put is exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

Chapter 27A
CBOT® E-mini Dow Jones Industrial Average^{SM} Index[3]
($5 Multiplier) Futures Options

27A00. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on CBOT E-mini Dow Jones Industrial Average^{SM} (DJIA^{SM}) Index ($5 Multiplier) futures. Hereafter in this chapter, CBOT DJIA Index ($5 Multiplier) futures shall be referenced as “CBOT $5 Dow ^{SM} futures” or “E-mini[~~-sized~~] Dow ^{SM} futures.” The DJIA is a price-weighted composite index of 30 of the largest and most liquid U.S. stocks. In addition to the rules of this chapter, transactions in options on E-mini[~~-sized~~] Dow ^{SM} futures shall be subject to the general rules of the Exchange insofar as applicable. For purposes of this Chapter, unless otherwise specified, times referred to herein shall refer to an indicate Chicago time.

27A01. OPTIONS CHARACTERISTICS

27A01.A. Contract Months

The months listed for trading are January through December, provided however, that the Exchange may determine not to list a contract month. For options that are traded in months in which E-mini[~~-sized~~] Dow futures are not traded, the underlying futures contract is the next futures contract that is nearest to the expiration of the option. For example, the underlying futures contract for the October or November option contract is the December futures contract.

27A01.B. Trading Unit

One E-mini[~~-sized~~] Dow futures contract of a specified contract month.

27A01.C. Minimum Fluctuations

The premium for options on E-mini[~~-sized~~] Dow futures shall be in multiples of one index point of a E-mini[~~-sized~~] Dow futures contract which shall equal $5.

However, a position may be initiated or liquidated in E-mini[~~-sized~~] Dow futures options at a premium ranging from $1.00 to $4.00, in $1.00 increments per option contract.

27A01.D. Trading Hours

The hours for trading of options on E-mini[~~-sized~~] Dow futures shall be determined by the Exchange. Options on E-mini[~~-sized~~] Dow futures shall be opened and closed for all months and strike prices simultaneously, or in such other manner as determined by the Exchange.

On the last day of trading in an expiring option, the closing time for such option shall be the same as the closing time of the underlying futures contract.

27A01.E. Exercise Prices[4]

1. Options in the March Quarterly Cycle

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[3] "Dow Jones^{SM}", "The Dow^{SM}", "Dow Jones Industrial Average^{SM}" and "DJIA^{SM}" are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by the Board of Trade of the City of Chicago, Inc. ("CBOT"). The CBOT's futures and futures option contracts based on the Dow Jones Industrial Average^{SM} are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of trading in such product(s).

[4] ~~Revised June 2008; October 2010.~~

The exercise prices shall be stated in terms of the Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of 50 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 500 without remainder, e.g. 10,000, 10,500, 11,000, etc. The Exchange shall list all exercise prices in a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 100 without remainder, e.g. 12,300, 12,400, 12,500,etc.

For the two nearest expiring option in the March Quarterly Cycle, exercise prices that are integers divisible by 50 without remainder shall be added, if they have not already been listed, within a range of 10 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add on the next trading day, all eligible exercise prices in the corresponding ranges. New options may be listed for trading up to and including the termination of trading.

2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

<u>3. Options in the European Style Weekly Option Series</u>

<u>At the commencement of trading, the Exchange shall list all exercise prices within 30 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.</u>

<u>4. Options in the European Style "End-of-Month" Options Series</u>

<u>At the commencement of trading, the Exchange shall list all exercise prices within 60 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.</u>

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

<u>In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.</u>

27A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

27A01.G. [~~[Reserved]~~] <u>Underlying Futures Contract</u>

<u>1. Options in the March Quarterly Cycle</u>

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contact is the next futures contact in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contact.

3. Options in the European Style Weekly Option Series

For options in the European Style weekly options series, the underlying futures contract is the next future contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for the first (1st), second (2nd) and fourth (4th) April and May weekly options shall be the June futures contract; the underlying futures contract for the first (1st) and second (2nd) June weekly options shall be the June futures contract; the underlying futures contract for the fourth (4th) June weekly options shall the September futures contract.

4. Options in the European Style “End-of-Month” Options Series

For options in the European Style “End-of-Month” options series, the underlying futures contract is the next futures contract in the March cycle that is nearest the expiration of the option. For example, the underlying futures contract for options in the January or February European Style “End-of-Month” option series is the March futures contract, while the underlying futures contract for options in the March European Style “End-of-Month” option series is the June futures contract.

27A01.H. Nature of Options

The buyer of one E-mini[~~-sized~~] Dow futures put option may exercise his option at any time prior to expiration (subject to Rule 27A02.A), to assume a short position of one E-mini[~~-sized~~] Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one E-mini[~~-sized~~] Dow futures put option incurs the obligation of assuming a long position of one E-mini[~~-sized~~] Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a put option buyer.

The buyer of one E-mini[~~-sized~~] Dow futures call option may exercise his option at any time prior to expiration (subject to Rule 27A02.A), to assume a long position of one E-mini[~~-sized~~] Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one E-mini[~~-sized~~] Dow futures call option incurs the obligation of assuming a short position of one E-mini[~~-sized~~] Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a call option buyer.

27A01.I. Termination of Trading

1. Options in the March Quarterly Cycle

For options expiring on the quarterly cycle, trading shall terminate on the same date and at the same time as the underlying futures contract. [~~For options that expire in months other than those in the quarterly cycle, options trading shall terminate on the third Friday of the option contract month, at the end of the trading session. If that day is not an Exchange business day, options trading shall terminate on the first preceding business day.~~]

2. Options Not in the March Quarterly Cycle

For options that expire in the months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange Business Day, options trading shall terminate on the first preceding Business Day. In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Options in the European Style Weekly Options Series

For options in the European Style Weekly Options Series, trading shall terminate at 3:00 p.m. on the Friday of the named week of the contract month.

For the first (1st) weekly option of the month, if the first Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday. However, if the first Business Day immediately preceding the Friday falls in the preceding calendar month, the first weekly options shall not be listed for trading.

For the second (2nd) weekly option of the month, if the second Friday of the monthly is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

For the fourth (4th) weekly option of the month, if the fourth Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

~~In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading. (moved)~~

4. Options in the European Style “End-of-Month” Options Series

For options in the European Style “End-of-Month” Options Series, electronic trading on Globex of the options shall terminate at 3:00 p.m. on the last Business Day of the contract month. In the event that the underlying futures market does not open on the scheduled options Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

27A01.J. Contract Modification

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

27A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise and assignment of E-mini[~~-sized~~] Dow futures options.

27A02.A. Exercise of Option

27A02.A.1 Options Not in the European Style “End-of-Month” Series and European Style Weekly Options Series

The buyer of an E-mini[~~-sized~~] Dow futures option may exercise the option on any business day prior to expiration by giving notice of exercise to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on such day.

Notwithstanding the provisions of the preceding paragraph, for options with quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of the expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House. For options with non-quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House.

For options with quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of the expiration. For options with non-quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of expiration.

An option is in-the-money if the settlement price of the underlying futures contract is less in the case of a put, or greater in the case of a call, than the exercise price for the option.

Unexercised E-mini[~~-sized~~] Dow futures options with quarterly expirations shall expire at [~~7~~]6:00 p.m. on the day of the expiration.

Unexercised E-mini[~~-sized~~] Dow futures options with non-quarterly expirations shall expire at [~~7~~]6:00 p.m. on the day of expiration.

27A02.A.2 Options in the European Style "End-of-Month" Series and European Style Weekly Options Series

Following the termination of trading of an option, all in-the-money options shall be automatically exercised by the Clearing House on the day of expiration of the option. All out-of-money options shall be abandoned by the Clearing House on the day of expiration of the option. Whether an option is in or out of the money shall be determined based on the fixing price of the CBOT E-mini Dow Jones Industrial Average index futures on the day of expiration as follows:

Tier 1 Take the thirty (30) second average of sale prices of the underlying futures contract on Globex, weighted by volume, from 2:59:30 to 3:00:00 p.m.

Tier 2 If no sales occurred during the thirty-second interval noted above, take the midpoint of each bid and ask spread and average the resulting midpoint over the thirty-second interval. However, when looking at each bid/ask spread, if it is wider than 2 ticks (2 index points), the bid/ask pair shall be discarded in the calculation.

Tier 3 If the fixing price cannot be determined by both Tier 1 and 2, or there is trading interruption in the underlying futures market on Globex at any point from 2:58:00 to 3:00:00 p.m. due to system outage or trading stoppages, including stoppage pursuant to Rule 580.3, take the thirty (30) second average of sale prices of the $10 CBOT Dow Jones Industrial Average Index futures contract of the same contract month as the underlying futures contract, from 2:59:30 to 3:00:00 p.m.

Tier 4 If the fixing price cannot be determined pursuant to Tier 1, 2 and 3, the Exchange shall take into consideration any other information it deems appropriate to determine the fixing price. This information may include, but is not limited to, the following, and procedures to determine the information may be performed in any order by the Exchange: (1) derive the fixing price based on basis relationship against the underlying cash index level; (2) repeat Tier 1, 2 or 3 at ever increasing 30 second increment intervals until data is obtained.

The calculation of the fixing prices shall be rounded to the nearest 1 index points.

In the event of an option expiring on a shortened Trading Day, the fixing calculation shall be performed based on the market activities during the thirty-second period immediately preceding the close of the underlying stock market.

An option is deemed in the money if the fixing price of the underlying futures contract lies strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put. For example, if the fixing price were 12,351 or higher, then 12,350 calls shall be exercised. If the fixing price were 12,349 or lower, then 12,350 calls shall be abandoned. Similarly, if the fixing price were 12,349 or lower, then 12,350 Puts shall be exercised. If the fixing price were 12,351 or higher, the 12,350 puts shall be abandoned.

Options in the European Style Weekly Options series and European Style "End-of-Month" Series may not be exercise prior to the expiration of the options. At the expiration, in-the-money options may not be abandoned and out-of-money options may not be exercised.

27A02.B. Corrections to Options Exercises

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after the 6:00 p.m. deadline 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) an unreconciled 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 the deadline. 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.

27A02.C. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members' open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position in the underlying futures contract if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised or a short position in the underlying futures contract if a put is exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

27A03. [RESERVED]

27A04. OPTION PREMIUM LIMITS

Option premium limits for the E-mini[~~-sized~~] Dow futures options shall correspond to the daily trading limit in effect at that time for the underlying futures contract as specified in Chapter 27. There shall be no trading in any option contract during a period in which trading in the underlying future is halted as specified in Chapter 27.

When the electronic trading platform is open for trading during non-regular trading hours, there shall be no trading in any option contract when the CBOT DJIA underlying futures contract is limit bid or limit offered.

27A05. PAYMENT OF OPTION PREMIUM

The option premium must be paid in full by each clearing member to the Clearing House and by each option customer to his futures commission merchant at the time that the option is purchased, or within a reasonable time after the option is purchased.

27A06. DISCLAIMER

CBOT E-mini[~~-sized~~] Dow futures and futures options contracts are not sponsored, endorsed, sold or promoted by Dow Jones. Dow Jones makes no representation or warranty, express or implied, to the owners of CBOT E-mini[~~-sized~~] Dow futures and futures options contracts or any member of the public regarding the advisability of trading in E-mini[~~-sized~~] Dow futures and futures options contracts. Dow Jones' only relationship to the Exchange is the licensing of certain trademarks and trade names of Dow Jones and of the DJIA which is determined, composed and calculated by Dow Jones without regard to the Chicago Board of Trade or CBOT E-mini[~~-sized~~] futures and futures options contracts. Dow Jones has no obligation to take the needs of the Chicago Board of Trade or the owners of CBOT E-mini[~~-sized~~] Dow futures and futures options contracts into consideration in determining, composing or calculating the DJIA. Dow Jones is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of CBOT E-mini[~~-sized~~] Dow futures and futures options contracts to be listed or in the determination or calculation of the equation by which CBOT E-mini[~~-sized~~] Dow futures and futures options contracts are to be converted into cash. Dow Jones has no obligation or liability in connection with the administration, marketing or trading of the CBOT E-mini[~~-sized~~] Dow futures and futures options contracts.

DOW JONES DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE DJIA OR ANY DATA INCLUDED THEREIN AND DOW JONES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. DOW JONES MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE CHICAGO BOARD OF TRADE, OWNERS OF CBOT E-MINI[~~-SIZED~~] DOW FUTURES AND FUTURES OPTIONS CONTRACTS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE DJIA OR ANY DATA INCLUDED THEREIN. DOW JONES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE DJIA OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL DOW JONES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN DOW JONES AND THE CHICAGO BOARD OF TRADE.

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Chapter 26A
CBOT® Dow Jones Industrial Average℠ Index[1]
($10 Multiplier) Futures Options

26A00. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on CBOT Dow Jones Industrial Average℠ (DJIA℠) Index ($10 Multiplier) futures. The DJIA is a price-weighted composite index of 30 of the largest and most liquid U.S. stocks. In addition to the rules of this chapter, transactions in options on CBOT $10 Dow ℠ futures shall be subject to the general rules of the Exchange insofar as applicable. For purposes of this Chapter, unless otherwise specified, times referred to herein shall refer to an indicate Chicago time.

26A01. OPTIONS CHARACTERISTICS

26A01.A. Contract Months

The months listed for trading are January through December, provided however, that the Exchange may determine not to list a contract month. For options that are traded in months in which CBOT $10 Dow futures are not traded, the underlying futures contract is the next futures contract that is nearest to the expiration of the option. For example, the underlying futures contract for the October or November option contract is the December futures contract.

26A01.B. Trading Unit

One CBOT $10 Dow futures contract of a specified contract month.

26A01.C. Minimum Fluctuations

The premium for options on CBOT $10 Dow futures shall be in multiples of one-half (1/2) of one index point of a CBOT $10 Dow futures contract which shall equal $5.

However, a position may be initiated or liquidated in CBOT $10 Dow futures options at a premium ranging from $1.00 to $4.00, in $1.00 increments per option contract.

26A01.D. Trading Hours

The hours for trading of options on CBOT $10 Dow futures shall be determined by the Exchange. Options on CBOT $10 Dow futures shall be opened and closed for all months and strike prices simultaneously, or in such other manner as determined by the Exchange.

On the last day of trading in an expiring option, the closing time for such option shall be the same as the closing time of the underlying futures contract, and immediately following the close the expiring CBOT $10 Dow futures options shall be closed with a public call, made strike price by strike price, or in such other manner as the Exchange shall direct.

26A01.E. Exercise Prices

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of 50 percent of the referencing index above and below the previous day's settlement price of the

[1] "Dow Jones℠", "The Dow℠", "Dow Jones Industrial Average℠" and "DJIA℠" are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by the Board of Trade of the City of Chicago, Inc. ("CBOT"). The CBOT's futures and futures option contracts based on the Dow Jones Industrial Average℠ are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of trading in such products.

underlying futures contract that are integers divisible by 500 without remainder, e.g. 10,000, 10,500, 11,000, etc. The Exchange shall list all exercise prices in a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 100 without remainder, e.g. 12,300, 12,400, 12,500,etc.

For the nearest expiring option in the March Quarterly Cycle, exercise prices that are integers divisible by 50 without remainder shall be added, if they have not already been listed, within a range of 10 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add on the next trading day, all eligible exercise prices in the corresponding ranges. New options may be listed for trading up to and including the termination of trading.

2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

3. Dynamically-Listed Exercise Price

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

4. Options in the European Style Weekly Option Series

At the commencement of trading, the Exchange shall list all exercise prices within 30 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.

5. Options in the European Style "End-of-Month" Options Series

At the commencement of trading, the Exchange shall list all exercise prices within 60 strikes above and below the previous day's settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.

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

26A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits

26A01.G. Underlying Futures Contract

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contact is the next futures contact in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contact.

3. Options in the European Style Weekly Option Series

For options in the European Style weekly options series, the underlying futures contract is the next future contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for the first (1^{st}), second (2^{nd}) and fourth (4^{th}) April and May weekly options shall be the June futures contract; the underlying futures contract for the first (1^{st}) and second (2^{nd}) June weekly options shall be the June futures contract; the underlying futures contract for the fourth (4^{th}) June weekly options shall the September futures contract.

4. Options in the European Style "End-of-Month" Options Series

For options in the European Style "End-of-Month" options series, the underlying futures contract is the next futures contract in the March cycle that is nearest the expiration of the option. For example, the underlying futures contract for options in the January or February European Style "End-of-Month" option series is the March futures contract, while the underlying futures contract for options in the March European Style "End-of-Month" option series is the June futures contract.

26A01.H. Nature of Options

The buyer of one CBOT $10 Dow futures put option may exercise his option at any time prior to expiration (subject to Rule 26A02.A), to assume a short position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one CBOT $10 Dow futures put option incurs the obligation of assuming a long position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a put option buyer.

The buyer of one CBOT $10 Dow futures call option may exercise his option at any time prior to expiration (subject to Rule 26A02.A), to assume a long position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one CBOT $10 Dow futures call option incurs the obligation of assuming a short position of one CBOT $10 Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a call option buyer.

26A01.I. Termination of Trading

1. Options in the March Quarterly Cycle

Subject to the provisions of Rule 26A01.D., for options expiring on the quarterly cycle, trading shall terminate at the same date and at the same time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in the months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange Business Day, options trading shall terminate on the first preceding Business Day. In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Options in the European Style Weekly Options Series

For options in the European Style Weekly Options Series, trading shall terminate at 3:00 p.m. on the Friday of the named week of the contract month.

For the first (1^{st}) weekly option of the month, if the first Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday. However, if the first Business Day immediately preceding the Friday falls in the preceding calendar month, the first weekly options shall not be listed for trading.

For the second (2^{nd}) weekly option of the month, if the second Friday of the monthly is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

For the fourth (4^{th}) weekly option of the month, if the fourth Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

4. Options in the European Style "End-of-Month" Options Series

For options in the European Style "End-of-Month" Options Series, trading shall terminate at 3:00 p.m. on the last Business Day of the contract month. In the event that the underlying futures market does not open on the scheduled options Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

In the event of an option expiring on a shortened Trading Day, the fixing calculation shall be performed based on the market activities during the thirty-second period immediately preceding the close of the underlying stock market.

26A01.J. Contract Modification

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

26A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise and assignment of CBOT $10 Dow futures options.

26A02.A. Exercise of Option

26A02.A.1 Options Not in the European Style "End-of-Month" Series and European Style Weekly Options Series

The buyer of a CBOT $10 Dow futures option may exercise the option on any business day prior to expiration by giving notice of exercise to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on such day.

Notwithstanding the provisions of the preceding paragraph, for options with quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of the expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House. For options with non-quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House.

For options with quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of the expiration. For options with non-quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of expiration.

An option is in-the-money if the settlement price of the underlying futures contract is less in the case of a put, or greater in the case of a call, than the exercise price for the option.

Unexercised CBOT $10 Dow futures options with quarterly expirations shall expire at 6:00 p.m. on the day of the expiration.

Unexercised CBOT $10 Dow futures options with non-quarterly expirations shall expire at 6:00 p.m. on the day of expiration.

26A02.A.2 Options in the European Style "End-of-Month" Series and European Style Weekly Options Series

Following the termination of trading of an option, all in-the-money options shall be automatically exercised by the Clearing House on the day of expiration of the option. All out-of-money options shall be abandoned by the Clearing House on the day of expiration of the option. Whether an option is in or out of the money shall be determined based on the fixing price of the CBOT E-mini Dow Jones Industrial Average index futures on the day of expiration as follows:

Tier 1 Take the thirty (30) second average of sale prices of the E-mini Dow Jones Industrial Average index futures contract on Globex, weighted by volume, from 2:59:30 to 3:00:00 p.m.

Tier 2 If no sales occurred during the thirty-second interval noted above, take the midpoint of each bid and ask spread for the E-mini Dow Jones Industrial Average index futures and average the resulting midpoint over the thirty-second interval. However, when looking at each bid/ask spread, if it is wider than 2 ticks (2 index points), the bid/ask pair shall be discarded in the calculation.

Tier 3 If the fixing price cannot be determined by both Tier 1 and 2, or there is trading interruption in the E-mini Dow Jones Industrial Average index futures market on Globex at any point from 2:58:00 to 3:00:00 p.m. time due to system outage or trading stoppages, including stoppage pursuant to Rule 580.3, take the thirty (30) second average of sale prices of the CBOT $10 Dow Jones Industrial Average Index futures contract of the same contract month as the underlying futures contract, from 2:59:30 to 3:00:00 p.m.

Tier 4 If the fixing price cannot be determined pursuant to Tier 1, 2 and 3, the Exchange shall take into consideration any other information it deems appropriate to determine the fixing price. This information may include, but is not limited to, the following, and procedures to determine the information may be performed in any order by the Exchange: (1) derive the fixing price based on basis relationship against the underlying cash index level; (2) repeat Tier 1, 2 or 3 at ever increasing 30 second increment intervals until data is obtained.

The calculation of the fixing price shall be rounded to the nearest index point.

An option is deemed in the money if the fixing price of the underlying futures contract lies strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put. For example, if the fixing price were 12,351 or higher, then 12,350 calls shall be exercised. If the fixing price were 12,349 or lower, then 12,350 calls shall be abandoned. Similarly, if the fixing price were 12,349 or lower, then 12,350 puts shall be exercised. If the fixing price were 12,351 or higher, the 12,350 puts shall be abandoned.

Options in the European Style Weekly Options series and European Style "End-of-Month" Series may not be exercise prior to the expiration of the options. At the expiration, in-the-money options may not be abandoned and out-of-money options may not be exercised.

26A02.B. Corrections to Options Exercises

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after the 6:00 p.m. deadline 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) an unreconciled 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 the deadline. 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.

26A02.C. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members' open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position in the underlying futures contract if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised or a short position in the underlying futures contract if a put is exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

Chapter 27A
CBOT® E-mini Dow Jones Industrial Average℠ Index[1] ($5 Multiplier) Futures Options

27A00. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on CBOT E-mini Dow Jones Industrial Average℠ (DJIA℠) Index ($5 Multiplier) futures. Hereafter in this chapter, CBOT DJIA Index ($5 Multiplier) futures shall be referenced as "CBOT $5 Dow ℠ futures" or "E-mini Dow ℠ futures." The DJIA is a price-weighted composite index of 30 of the largest and most liquid U.S. stocks. In addition to the rules of this chapter, transactions in options on E-mini Dow ℠ futures shall be subject to the general rules of the Exchange insofar as applicable. For purposes of this Chapter, unless otherwise specified, times referred to herein shall refer to an indicate Chicago time.

27A01. OPTIONS CHARACTERISTICS

27A01.A. Contract Months

The months listed for trading are January through December, provided however, that the Exchange may determine not to list a contract month. For options that are traded in months in which E-mini Dow futures are not traded, the underlying futures contract is the next futures contract that is nearest to the expiration of the option. For example, the underlying futures contract for the October or November option contract is the December futures contract.

27A01.B. Trading Unit

One E-mini Dow futures contract of a specified contract month.

27A01.C. Minimum Fluctuations

The premium for options on E-mini Dow futures shall be in multiples of one index point of a E-mini Dow futures contract which shall equal $5.

However, a position may be initiated or liquidated in E-mini Dow futures options at a premium ranging from $1.00 to $4.00, in $1.00 increments per option contract.

27A01.D. Trading Hours

The hours for trading of options on E-mini Dow futures shall be determined by the Exchange. Options on E-mini Dow futures shall be opened and closed for all months and strike prices simultaneously, or in such other manner as determined by the Exchange.

On the last day of trading in an expiring option, the closing time for such option shall be the same as the closing time of the underlying futures contract.

27A01.E. Exercise Prices

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract.

A referencing index shall be determined each quarter on the day prior to the expiration of the March Quarterly futures contract and shall equal the daily settlement price of the nearest expiring Dow Jones Industrial Average Stock Index ($10 multiplier) futures contract. The chosen referencing index will then be used to determine the strike listing range for all listed contract months. The index points are rounded down to the nearest integer.

At the commencement of trading for each contract month, the Exchange shall list all exercise prices in a range of 50 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers divisible by 500 without remainder, e.g. 10,000, 10,500, 11,000, etc. The Exchange shall list all exercise prices in a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract that are integers

[1] "Dow Jones℠", "The Dow℠", "Dow Jones Industrial Average℠" and "DJIA℠" are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by the Board of Trade of the City of Chicago, Inc. ("CBOT"). The CBOT's futures and futures option contracts based on the Dow Jones Industrial Average℠ are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of trading in such product(s).

divisible by 100 without remainder, e.g. 12,300, 12,400, 12,500,etc.

For the two nearest expiring option in the March Quarterly Cycle, exercise prices that are integers divisible by 50 without remainder shall be added, if they have not already been listed, within a range of 10 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add on the next trading day, all eligible exercise prices in the corresponding ranges. New options may be listed for trading up to and including the termination of trading.

2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle listed for trading shall be identical to the exercise prices that are listed for the March quarterly options on the same underlying futures contract. For example, the exercise prices listed for the January contract shall be identical to those listed for the March contract.

3. Options in the European Style Weekly Option Series

At the commencement of trading, the Exchange shall list all exercise prices within 30 strikes above and below the previous day’s settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.

4. Options in the European Style “End-of-Month” Options Series

At the commencement of trading, the Exchange shall list all exercise prices within 60 strikes above and below the previous day’s settlement price of the March quarterly options on the same underlying futures contract that are integers divisible by 50 without remainder, e.g. 12,350, 12,400, 12,450, etc.

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

In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

27A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

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

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

27A01.G. Underlying Futures Contract

1. Options in the March Quarterly Cycle

For options that expire in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in March is the March futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in months other than those in the March quarterly cycle (i.e., January, February, April, May, July, August, October, and November), the underlying futures contact is the next futures contact in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for options that expire in January or February is the March futures contact.

3. Options in the European Style Weekly Option Series

For options in the European Style weekly options series, the underlying futures contract is the next future contract in the March quarterly cycle that is nearest the expiration of the option. For example, the underlying futures contract for the first (1^{st}), second (2^{nd}) and fourth (4^{th}) April and May weekly options shall be the June futures contract; the underlying futures contract for the first (1^{st}) and second (2^{nd}) June weekly options shall be the June futures contract; the underlying futures contract for the fourth (4^{th}) June weekly options shall the September futures contract.

4. Options in the European Style “End-of-Month” Options Series

For options in the European Style “End-of-Month” options series, the underlying futures contract is the next futures contract in the March cycle that is nearest the expiration of the option. For example, the underlying futures contract for options in the January or February European Style “End-of-Month” option series is the March futures contract, while the underlying futures contract for options in the March European Style “End-of-Month” option series is the June futures contract.

27A01.H. Nature of Options

The buyer of one E-mini Dow futures put option may exercise his option at any time prior to expiration (subject to Rule 27A02.A), to assume a short position of one E-mini Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one E-mini Dow futures put option incurs the obligation of assuming a long position of one E-mini Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a put option buyer.

The buyer of one E-mini Dow futures call option may exercise his option at any time prior to expiration (subject to Rule 27A02.A), to assume a long position of one E-mini Dow futures contract of a specified contract month at a striking price set at the time the option was purchased. The seller of one E-mini Dow futures call option incurs the obligation of assuming a short position of one E-mini Dow futures contract of a specified contract month at a striking price set at the time the option was sold, upon exercise by a call option buyer.

27A01.I. Termination of Trading

1. Options in the March Quarterly Cycle

For options expiring on the quarterly cycle, trading shall terminate on the same date and at the same time as the underlying futures contract.

2. Options Not in the March Quarterly Cycle

For options that expire in the months other than those in the March quarterly cycle, options trading shall terminate on the third Friday of the contract month. If that day is not a scheduled Exchange Business Day, options trading shall terminate on the first preceding Business Day. In the event that the underlying futures market does not open on the scheduled Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Options in the European Style Weekly Options Series

For options in the European Style Weekly Options Series, trading shall terminate at 3:00 p.m. on the Friday of the named week of the contract month.

For the first (1^{st}) weekly option of the month, if the first Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday. However, if the first Business Day immediately preceding the Friday falls in the preceding calendar month, the first weekly options shall not be listed for trading.

For the second (2^{nd}) weekly option of the month, if the second Friday of the monthly is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

For the fourth (4^{th}) weekly option of the month, if the fourth Friday of the month is a scheduled Exchange holiday, the option shall terminate on the first Business Day immediately preceding the Friday.

4. Options in the European Style “End-of-Month” Options Series

For options in the European Style “End-of-Month” Options Series, electronic trading on Globex of the options shall terminate at 3:00 p.m. on the last Business Day of the contract month. In the event that the underlying futures market does not open on the scheduled options Expiration Day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

27A01.J. Contract Modification

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

27A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise and assignment of E-mini Dow futures options.

27A02.A. Exercise of Option

27A02.A.1 Options Not in the European Style "End-of-Month" Series and European Style Weekly Options Series

The buyer of an E-mini Dow futures option may exercise the option on any business day prior to expiration by giving notice of exercise to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on such day.

Notwithstanding the provisions of the preceding paragraph, for options with quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of the expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House. For options with non-quarterly expirations, all in-the-money options shall be automatically exercised after 6:00 p.m. on the day of expiration, or such other time designated by the Exchange, unless notice to cancel automatic exercise is given to the Clearing House.

For options with quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of the expiration. For options with non-quarterly expirations, notice to cancel automatic exercise shall be given to the Clearing House by 6:00 p.m., or by such other time designated by the Exchange, on the day of expiration.

An option is in-the-money if the settlement price of the underlying futures contract is less in the case of a put, or greater in the case of a call, than the exercise price for the option.

Unexercised E-mini Dow futures options with quarterly expirations shall expire at 6:00 p.m. on the day of the expiration.

Unexercised E-mini Dow futures options with non-quarterly expirations shall expire at 6:00 p.m. on the day of expiration.

27A02.A.2 Options in the European Style "End-of-Month" Series and European Style Weekly Options Series

Following the termination of trading of an option, all in-the-money options shall be automatically exercised by the Clearing House on the day of expiration of the option. All out-of-money options shall be abandoned by the Clearing House on the day of expiration of the option. Whether an option is in or out of the money shall be determined based on the fixing price of the CBOT E-mini Dow Jones Industrial Average index futures on the day of expiration as follows:

Tier 1 Take the thirty (30) second average of sale prices of the underlying futures contract on Globex, weighted by volume, from 2:59:30 to 3:00:00 p.m.

Tier 2 If no sales occurred during the thirty-second interval noted above, take the midpoint of each bid and ask spread and average the resulting midpoint over the thirty-second interval. However, when looking at each bid/ask spread, if it is wider than 2 ticks (2 index points), the bid/ask pair shall be discarded in the calculation.

Tier 3 If the fixing price cannot be determined by both Tier 1 and 2, or there is trading interruption in the underlying futures market on Globex at any point from 2:58:00 to 3:00:00 p.m. due to system outage or trading stoppages, including stoppage pursuant to Rule 580.3, take the thirty (30) second average of sale prices of the $10 CBOT Dow Jones Industrial Average Index futures contract of the same contract month as the underlying futures contract, from 2:59:30 to 3:00:00 p.m.

Tier 4 If the fixing price cannot be determined pursuant to Tier 1, 2 and 3, the Exchange shall take into consideration any other information it deems appropriate to determine the fixing price. This information may include, but is not limited to, the following, and procedures to determine the information may be performed in any order by the Exchange: (1) derive the fixing price based on basis relationship against the underlying cash index level; (2) repeat Tier 1, 2 or 3 at ever increasing 30 second increment intervals until data is obtained.

The calculation of the fixing prices shall be rounded to the nearest 1 index points.

In the event of an option expiring on a shortened Trading Day, the fixing calculation shall be performed based on the market activities during the thirty-second period immediately preceding the close of the underlying stock market.

An option is deemed in the money if the fixing price of the underlying futures contract lies strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put. For example, if the fixing price were 12,351 or higher, then 12,350 calls shall be exercised. If the fixing price were 12,349 or lower, then 12,350 calls shall be abandoned. Similarly, if the fixing price were 12,349 or lower, then 12,350 Puts shall be exercised. If the fixing price were 12,351 or higher, the 12,350 puts shall be abandoned.

Options in the European Style Weekly Options series and European Style “End-of-Month” Series may not be exercise prior to the expiration of the options. At the expiration, in-the-money options may not be abandoned and out-of-money options may not be exercised.

27A02.B. Corrections to Options Exercises

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after the 6:00 p.m. deadline 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) an unreconciled 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 the deadline. 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.

27A02.C. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members’ open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position in the underlying futures contract if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised or a short position in the underlying futures contract if a put is exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

27A03. [RESERVED]

27A04. OPTION PREMIUM LIMITS

Option premium limits for the E-mini Dow futures options shall correspond to the daily trading limit in effect at that time for the underlying futures contract as specified in Chapter 27. There shall be no trading in any option contract during a period in which trading in the underlying future is halted as specified in Chapter 27.

When the electronic trading platform is open for trading during non-regular trading hours, there shall be no trading in any option contract when the CBOT DJIA underlying futures contract is limit bid or limit offered.

27A05. PAYMENT OF OPTION PREMIUM

The option premium must be paid in full by each clearing member to the Clearing House and by each option customer to his futures commission merchant at the time that the option is purchased, or within a reasonable time after the option is purchased.

27A06. DISCLAIMER

CBOT E-mini Dow futures and futures options contracts are not sponsored, endorsed, sold or promoted by Dow Jones. Dow Jones makes no representation or warranty, express or implied, to the owners of CBOT E-mini Dow futures and futures options contracts or any member of the public regarding the advisability of trading in E-mini Dow futures and futures options contracts. Dow Jones' only relationship to the Exchange is the licensing of certain trademarks and trade names of Dow Jones and of the DJIA which is determined, composed and calculated by Dow Jones without regard to the Chicago Board of Trade or CBOT E-mini futures and futures options contracts. Dow Jones has no obligation to take the needs of the Chicago Board of Trade or the owners of CBOT E-mini Dow futures and futures options contracts into consideration in determining, composing or calculating the DJIA. Dow Jones is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of CBOT E-mini Dow futures and futures options contracts to be listed or in the determination or calculation of the equation by which CBOT E-mini Dow futures and futures options contracts are to be converted into cash. Dow Jones has no obligation or liability in connection with the administration, marketing or trading of the CBOT E-mini Dow futures and futures options contracts.

DOW JONES DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE DJIA OR ANY DATA INCLUDED THEREIN AND DOW JONES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. DOW JONES MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE CHICAGO BOARD OF TRADE, OWNERS OF CBOT E-MINI DOW FUTURES AND FUTURES OPTIONS CONTRACTS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE DJIA OR ANY DATA INCLUDED THEREIN. DOW JONES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE DJIA OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL DOW JONES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN DOW JONES AND THE CHICAGO BOARD OF TRADE.

APPENDIX B

Cash Market Overview and Deliverable Supply Analysis

Cash and futures market related liquidity characteristics included in Table 1 are:

i. Market capitalization of the constituents underlying the respective stock index
ii. Average daily USD turnover of the constituents underlying the respective stock index
iii. Average daily USD turnover of ETF based on the respective stock index
iv. Open Interest in the E-mini DJIA futures complex (both futures and delta weighted options)

CBOT E-mini DJIA futures and option on futures Rulebook Chapter and Ticker Symbol information is included in Table 2. CBOT $10 DJIA futures and option on futures Rulebook Chapter and Ticker Symbol information is included in Table 3.

Aggregated Position Limit for CBOT E-mini Dow Jones Industrial Average Index futures and Options on Futures($5 Multiplier)

The aggregated position limit for CBOT E-mini Dow Jones Industrial Average Index futures and options on futures, including the forthcoming weekly and EOM options will remain at 100,000 E-mini DJIA equivalents.

Dow Jones Industrial Average

The Dow Jones Industrial Average was introduced in May 1896. This index, also referred to as The Dow®, is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries with the exception of transportation and utilities, which are covered by the Dow Jones Transportation Average™ and Dow Jones Utility Average™.

While stock selection is not governed by quantitative rules, a stock typically is added to the DJIA index only if the company has an excellent reputation, demonstrates sustained growth and is of interest to a large number of investors. Maintaining adequate sector representation within the indices is also a consideration in the selection process.

Liquidity and open interest in CBOT stock index futures and options on stock index futures has been trending higher. DJIA constituent turnover during the first 26 trading days of 2014 is nearly $5.6 Billion. Liquidity in related products, namely Exchange Traded Funds ("ETFs") such as SPDR Diamonds ("DIA") has also been trending higher. ETFs tied to the DJIA index are issued by State Street. This ETF serves as an alternative source of liquidity that may be utilized by market participants that seek to increase or decrease beta exposure to the DJIA stock index benchmark. Average daily turnover during the past three years in DJIA related ETFs is almost $1 Billion, but has averaged nearly $1.6 Billion during the first 26 trading days of 2014.

E-mini DJIA futures and options on E-mini DJIA futures liquidity information are included in Table 1 in the appendix to this memo.

Summary

The aggregated position limit for CBOT E-mini Dow Jones Industrial Average Index futures and options on futures, and for CBOT $10 Dow Jones Industrial Average Index futures and options on futures, including the forthcoming weekly and EOM options will remain at 100,000 E-mini DJIA equivalents. The substantial liquidity of the U.S. large capitalization equity markets is such that the current position limits for E-mini Dow Jones Industrial Average Index futures and options on futures is not in conflict with CFTC core principle 3.

Table 1

DJIA and E-mini DJIA Futures Liquidity Data

Row		E-mini DJIA Futures & DJIA
1	DJIA Index Level as of January 31, 2014	16,576.66
2	E-mini DJIA Futures Contract Multiplier	$5
3	Notional Value of E-mini DJIA Futures Contract	$82,883
4	Market Cap of DJIA Index as of January 31, 2014 (Billions) Source: Bloomberg	$4,509.572
5	ADV E-mini DJIA Futures (2013)	140,670
6	Notional Value E-mini DJIA – ADV 2013	$10,546,502,293
7	Open Interest (E-mini DJIA) as of January 31, 2014	118,880
8	Open Interest (futures & options contracts) in E-mini DJIA futures equivalents as of January 31, 2014. Assumes average option delta = 0.30	124,894
9	Notional Value of E-mini DJIA futures and options Open Interest as of January 31, 2014	$10,351,547,961
10	January 1, 2011 to January 31, 2014 Average DJIA Index Turnover (Daily Index Constituent Trading Volume) Source: Bloomberg	$5,201,841,000
11	January 1, 2011 to January 31, 2014 Average Index ETF (“DIA”) Turnover (Daily Index Constituent Trading Volume) Source: Bloomberg	$928,353,000
12	January 1, 2011 to January 31, 2014 Average Index CONSTITUENT & ETF Turnover (Daily Index Constituent Trading Volume in Billions) Source: Bloomberg	$6,130,194,000
11	Position Limit – E-mini DJIA Equivalents	100,000

APPENDIX C

Rule 588.H – Non-Reviewable Range Table

(Additions are underlined)

Options

Instrument	Bid/Ask Reasonability	Non-Reviewable Range (NRR)
DJIA ($10) Options DJIA ($10) End-of-Month Options DJIA ($10) Weekly Options E-mini Dow ($5) Options E-mini Dow ($5) End-of-Month Options E-mini Dow ($5) Weekly Options	The greater of the delta times the underlying futures non-reviewable range or 20% of the fair value premium up to the underlying futures non-reviewable range with a minimum reasonability of 10 index points	20% of premium up to 1/4 the underlying futures non-reviewable range with a minimum of 1 tick.

APPENDIX D

Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CBOT Rulebook

(Attached under separate cover)

Contract Name	Rule Chapter	Commodity Code
CBOT **E-mini** Dow Jones Industrial Average Index ($5 Multiplier) Futures Options	27A	YM
CBOT E-mini Dow Jones Industrial Average Index ($5 Multiplier) Weekly Option - week 1	**27A**	**YM 1**
CBOT E-mini Dow Jones Industrial Average Index ($5 Multiplier) Weekly Option - week 2	**27A**	**YM 2**
CBOT E-mini Dow Jones Industrial Average Index ($5 Multiplier) Weekly Option - week 4	**27A**	**YM 4**
CBOT E-mini Dow Jones Industrial Average Index ($5 Multiplier) End-of-Month Option	**27A**	**EYM**
CBOT Dow Jones Industrial Average Index ($10 Multiplier) Weekly Option - week 1	**26A**	**ZD 1**
CBOT Dow Jones Industrial Average Index ($10 Multiplier) Weekly Option - week 2	**26A**	**ZD 2**
CBOT Dow Jones Industrial Average Index ($10 Multiplier) Weekly Option - week 4	**26A**	**ZD 4**
CBOT Dow Jones Industrial Average Index ($10 Multiplier) End-of-Month Option	**26A**	**EZD**

Contract Size	Contract Units	Type	Settlement
$5	Dollar x DJIA	Am. Option	Exercises into Financial Futures
$5	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**
$5	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**
$5	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**
$5	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**
$10	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**
$10	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**
$10	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**
$10	**Dollar x DJIA**	**Eu. Option**	**Exercises into Financial Futures**

Group	Diminishing Balance Contract	Reporting Level	Position Limit in Shipping Certificates, Warehouse Receipts	Spot Month Position Comprised of Futures and Deliveries	Spot-Month Spot Month Aggregate Into Futures Equivalent Leg (1)
Equity		200			
Equity		**200**			
Equity		**200**			
Equity		**200**			
Equity		**200**			
Equity		**200**			
Equity		**200**			
Equity		**200**			
Equity		**200**			

Spot Month Aggregate Into Futures Equivalent Leg (2)	Spot-Month Aggregate Into Ratio Leg (1)	Spot-Month Aggregate Into Ratio Leg (2)	Spot-Month Accountability Level	Initial Spot-Month Limit (In Net Futures Equivalents) Leg (1)/ Leg (2)	Initial Spot-Month Limit Effective Date

	Second Spot-Month		Single Month
Spot-Month Limit (In Contract Units) Leg (1) / Leg (2)	Second Spot-Month Limit (In Net Futures Equivalents) Leg (1)/ Leg (2)	Second Spot-Month Limit Effective Date	Single Month Aggregate Into Futures Equivalent Leg (1)

					All Month
Single Month Aggregate Into Futures Equivalent Leg (2)	Single Month Aggregate Into Ratio Leg (1)	Single Month Aggregate Into Ratio Leg (2)	Single Month Accountability Level Leg (1) / Leg (2)	Single Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	All Month Limit Aggregate Into Futures Equivalent Leg (1)
					11
					11
					11
					11
					11
					11
					11
					11
					11

All Month Limit Aggregate Into Futures Equivalent Leg (2)	All Month Aggregate Into Ratio Leg (1)	All Month Aggregate Into Ratio Leg (2)	All Month Accountability Level Leg (1) / Leg (2)	All Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
	2 YM : 1 11			50,000
	2 YM1 : 1 11			**50,000**
	2 YM2 : 1 11			**50,000**
	2 YM4 : 1 11			**50,000**
	2 EYM : 1 11			**50,000**
	1 ZD1 : 1 11			**50,000**
	1 ZD2 : 1 11			**50,000**
	1 ZD4 : 1 11			**50,000**
	1 EZD : 1 11			**50,000**