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(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

COMMODITY INDEX FUTURES CONTRACTS

Rule 7.00. Scope of Sub-Chapter

(a) The rules in this Sub-Chapter govern transactions in commodity index futures contracts. All commodity index futures contracts, and all trading herein, shall be subject to the Rules, including the terms and conditions set forth in this Sub-Chapter. In the event of any inconsistency between the Rules in this Sub-Chapter and any other rules, the provisions of this Sub-Chapter shall govern with respect to commodity index futures contracts.

(b) The term "CMI Futures Contract" shall mean a contract for the future delivery of the Commercial Markets Index/Price Index ("CMI").

(c) The term "SPCI Futures Contract" shall mean a contract for the future delivery of the S&P Commodities Index ("SPCI").

Rule 7.01. Obligations of Parties to Contract

(a) The seller of a CMI Futures Contract agrees to sell to the purchaser, and the purchaser agrees to purchase from the seller, \$10 times the CMI in accordance with the Rules of the Exchange and the Rules of the Clearing Association.

(b) The seller of a SPCI Futures Contract agrees to sell to the purchaser, and the purchaser agrees to purchase from the seller, \$100 times the SPCI in accordance with the Rules of the Exchange and the Rules of the Clearing Association.

Rule 7.02. Months Traded

(a) Trading in commodity index futures contracts shall be conducted for delivery in the following months: January, February, April, June, August and November.

(b) Trading shall at all times be conducted in at least four delivery months with additional delivery months to be listed at the discretion of the Board. Trading in a new delivery month shall be initiated at the opening of trading on the first Exchange Business Day following the last trading day for any delivery month.

Rule 7.03. Price Basis

(a) In the case of the CMI Futures Contract, prices shall be quoted as whole index points. The minimum price fluctuation shall be 1 index point and the dollar value of the minimum price fluctuation shall be \$10.00.

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(b) In the case of the SPCI Futures Contract, prices shall be quoted in one tenth (1/10) index points. The minimum price fluctuation shall be .10 index point and the dollar value of the minimum price fluctuation shall be \$10.00.

Rule 7.04. Last Trading Day

(a) The last trading day for any delivery month of a commodity index futures contract shall be the second Friday of the expiration month; provided, however, that, in the event the Exchange is closed on any such Friday:

(i) because such Friday is a designated Exchange holiday which has been so designated for more than one week prior thereto, the last trading day shall be the trading day preceding such Friday; or

(ii) for any other reason, the last trading day shall be the first trading day after such Friday.

(b) No trades in any commodity index futures contract which must be settled in any current delivery month shall be made after the close of trading on the last trading day for that delivery month.

Rule 7.05. Settlement of Futures Contracts

(a) All settlements must be made through the Clearing Association.

(b) Final settlement for each commodity index futures contract for any delivery month shall be made on the Exchange Business Day following the last trading day of that delivery month and shall be made in the same manner and in accordance with the same procedures that payment of variation margin is made.

(c) The amount to be paid in final settlement of each CMI Futures Contract shall be determined by multiplying \$10 times the difference between the settlement price of the previous trading day for such contract and the CMI as of the close of business on the last trading day, except that the amount to be paid on a contract purchased or sold on that last day of trading and held to the close of business on that day shall be determined by multiplying \$10 times the difference between the price of such purchase or sale on that day and the CMI as of the close of business on that day.

(d) The amount to be paid in final settlement of each SPCI Futures Contract shall be determined by multiplying \$100 times the difference between the settlement price of the previous trading day for such contract and the SPCI as of the close of business on the last trading day, except that the amount to be paid on a contract purchased or sold on that last day of trading and

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held to the close of business on that day shall be determined by multiplying \$100 times the difference between the price of such purchase or sale on that day and the SPCI as of the close of business on that day.

(e) Upon final settlement as provided in this Rule, the parties shall have no further obligations hereunder.

Rule 7.06. Delinquency in Performance

If a clearing member fails to perform any acts required by this Sub-Chapter or by the Clearing Association, the clearing member will be subject to disciplinary action, and the Exchange may assess such clearing member for the expenses associated therewith.

Rule 7.07. Trading Suspensions

In the event that any of the component markets of a commodity index futures contract close due to holidays or other events, including, but not limited to, emergency action at those market(s), the Executive Committee or, in the absence of a quorum, the President or his designee may determine the extent to which trading hours may be shortened, if at all, for the affected commodity index futures contract on such day.

Rule 7.08. Reserved.

Rule 7.09. Reserved.

OPTIONS ON COMMODITY INDEX FUTURES CONTRACTS

Rule 7.10. Scope of Chapter

(a) The rules in this Sub-Chapter govern transactions involving options to buy or sell any commodity index futures contract. All Options on Commodity Index Futures Contracts ("Commodity Index Option"), and all trading herein, shall be subject to the Rules, including the terms and conditions set forth in this Sub-Chapter. In the event of any inconsistency between the Rules in this Sub-Chapter and any other rules, the provisions of this Sub-Chapter shall govern with respect to Commodity Index Options.

(b) The term "CMI Option" shall mean an option to buy or sell a CMI Futures Contract.

(c) The term "SPCI Option" shall mean an option to buy or sell a SPCI Futures Contract.

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Rule 7.11. Definitions

For purposes of this Sub-Chapter, the following terms shall have the following meanings:

(a) The term "deep-out-of-the-money-option" shall mean a Commodity Index Option that has an exercise price above (in the case of a call) or below (in the case of a put) the settlement price of the underlying futures contract on any day by an amount that equals or exceeds the sum of:

(i) with respect to the CMI Option, (A) 1000 points and (B) 300 points multiplied by the number of whole option months before the expiration day of such option; and

(ii) with respect to the SPCI Option, (A) 100 points and (B) 30 points multiplied by the number of whole option months before the expiration day of such option.

(b) The term "exercise notice" shall mean a notice, in a form prescribed by the Clearing Association, issued to the Clearing Association by clearing members who are, or who carry accounts for others who are, holding long positions in Commodity Index Options that are to be exercised.

(c) The term "expiration day" shall mean the day on which Commodity Index Options in any option month expire, and, with respect to any option month shall mean the last trading day of the commodity index futures contract for such month.

(d) The term "last trading day" shall mean the last day on which Commodity Index Options that expire in the current option month may be traded on the floor of the Exchange, and, with respect to any option month, shall be the last trading day of the underlying commodity index futures contract deliverable in that option month. No trades in Commodity Index Options expiring in the current option month shall be made after 4:00 p.m. New York time on the last trading day for such option month.

(e) The term "option month" shall mean, with respect to any Commodity Index Option, the time period beginning on the first Exchange Business Day in any calendar month which has been designated for trading Commodity Index Options pursuant to Rule 7.15, and ending on the expiration day in such month.

(f) The term "settlement price" shall mean, with respect to any Commodity Index Option, the settlement price of the underlying futures contract on any day, determined in accordance with the Rules of the Exchange.

(g) The term "at-the-money" shall mean a call or put with a strike price closest to the price of the underlying future (or if two such options are equally close to that price, the smaller number).

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Rule 7.12. Obligations of Option Purchasers

(a) The purchaser which purchases a Commodity Index Option on the floor of the Exchange shall cause such option to be submitted by a clearing member to the Clearing Association for clearance in accordance with the Rules of the Clearing Association.

(b) The purchaser which clears a Commodity Index Option shall pay in full the premium to the Clearing Association in accordance with the Rules of the Clearing Association.

(c) The purchaser of a Commodity Index Option shall, upon exercising such option in accordance with the Rules, enter into an underlying futures contract to buy (in the case of a call) or to sell (in the case of a put) the commodity index in the option month, at the striking price specified in such option; provided, however, that any such contract entered into upon exercise shall be entered into for the account of the person having purchased the Commodity Index Option.

Rule 7.13. Obligations of Option Grantors

(a) The grantor which grants a Commodity Index Option on the floor of the Exchange shall cause such option to be submitted by a clearing member to the Clearing Association for clearance in accordance with the Rules of the Clearing Association.

(b) The grantor which clears a Commodity Index Option shall make such margin deposits as the Clearing Association may require.

(c) The grantor of a Commodity Index Option shall, upon being assigned an exercise notice in accordance with the Rules of the Clearing Association, enter into an underlying futures contract to sell (in the case of a call) or to buy (in the case of a put) the commodity index in the option month, at the striking price specified in such option; provided, however, that any such contract entered into upon assignment of an exercise notice shall be entered into for the account of the person having granted the Commodity Index Option.

Rule 7.14. Effect of Clearance

Upon acceptance of a Commodity Index Option by the Clearing Association, the Clearing Association shall be substituted as, and assume the position of, the purchaser to the clearing member which is the grantor, and the position of the grantor to the clearing member which is the purchaser, and thereupon the Clearing Association shall have all the rights and obligations with respect to such option as the parties for which it is substituted.

Rule 7.15. Option Months Traded

(a) Trading in Commodity Index Options shall be conducted in the following option months: January, February, April, June, August and November.

(b) Trading shall at all times be conducted in four option months. Trading in a new option month shall be initiated at the opening of trading on the first Exchange Business Day following the listing of the underlying futures contract.

Rule 7.16. Striking Prices

(a) Striking prices for Commodity Index Options shall be quoted in points.

(b) Trading shall only be conducted in Commodity Index Options having striking prices determined in accordance with this Rule 7.16.

(c) Except as the Board may from time to time prescribe otherwise, Commodity Index Options shall be listed for trading with particular striking prices for each option month as follows:

(i) On the day Commodity Index Options for any option month are first listed for trading pursuant to Rule 7.15, the Exchange will establish striking prices as follows:

(A) In the case of CMI Options, striking prices shall be at levels which are at intervals of one hundred (100) index points;

(B) In the case of SPCI Options, striking prices shall be at levels which are at intervals of ten (10) index points;

(C) There shall be listed one at-the-money, four out-of-the-money and four in-the-money call and put options for each option month for each Commodity Index Option, based upon the previous day's settlement price of the underlying futures contract.

(ii) There shall at all times be listed for trading at least four call options for each Commodity Index Option with striking prices above the previous day's settlement price of the underlying futures contract, and at least four call options for each Commodity Index Option with striking prices below the previous day's settlement price of the underlying futures contract, at least four put options for each Commodity Index Option with striking prices above the previous day's settlement price of the underlying futures contract, and at least four put options for each Commodity Index Option with striking prices below the previous day's settlement price of the underlying futures contract. If on any day the underlying futures contract settles at a price such that there are not at least the required

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number of options listed for trading as provided in the first sentence of this subparagraph (c)(ii), then at the opening of trading on the next Exchange Business Day, one or more additional options shall be listed for trading as may be required to assure that the options required pursuant to the first sentence of this paragraph (c)(ii) are listed for trading.

(d) A Commodity Index Option having a particular striking price which is, or as a result of delisting pursuant to this paragraph (d) becomes, the highest or lowest striking price of the listed options in each option shall be delisted if for ten (10) consecutive trading days no transaction is executed, and there is no open position, in such option; provided, however, that no option shall be so delisted if it has a striking price which is at any of the prescribed levels above or below the prices of the underlying futures contract on the previous trading day.

(e) Any Commodity Index Option which has been so delisted shall thereafter be re-listed at any time any such option has a striking price which is at any of the prescribed levels above or below the prices for the underlying futures contract on the previous trading day.

(f) In addition to the striking prices authorized above, the President of the Exchange, or an Exchange officer designated by the President, may direct that additional striking prices be added. Such directed strike prices ("DSPs") may be added provided that they may be only listed in whole index points or multiples thereof. Such DSPs shall be effective upon authorization.

Rule 7.17. Premium Quotations

(a) Premiums for CMI Options shall be quoted in whole index points with each point equal to \$10.00.

(b) Premiums for SPCI Options shall be quoted in one tenth (1/10) index points with each one tenth (.10) point equal to \$10.00.

Rule 7.18. Exercise of Options

(a) All exercises of Commodity Index Options shall be made through the Clearing Association, in accordance with the Rules of the Exchange and the Clearing Association.

(b) Any clearing member which has, or carries accounts for others which have, an open long position in Commodity Index Options on any day the option is traded may issue an exercise notice with respect to each open position not later than 5:00 P.M. New York time on any Exchange Business Day except the last trading day. In each instance in which on the last trading day there is an open long position in a Commodity Index Option for which the exercise price is less, in the case of a call option, or greater, in the case of a put option, than the settlement price of the underlying futures contract on the option's last trading day, the options comprising such open long position shall be automatically exercised unless written instructions to do otherwise shall be

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received by the Clearing Association.

(c) By 8:45 a.m. of the Exchange Business Day following receipt of exercise notices, the Clearing Association shall allocate such exercise notices among clearing members which have, or which carry accounts for others which have, open short positions in Commodity Index Options at the close of trading on the preceding Exchange Business Day. The Clearing Association shall give each such clearing member notice of exercise of each option, in accordance with the Rules of the Clearing Association.

(d) Upon exercise of any Commodity Index Option, the Clearing Association will make book entries to change the underlying futures contract and Commodity Index Option positions carried by the clearing member exercising an option pursuant to paragraph (b) of this Rule and the clearing member assigned any exercise notice pursuant to paragraph (c) of this Rule. An exercise notice received after 5:00 p.m. on any Exchange Business Day except the expiration day shall be considered as being received on the next Exchange Business Day. An option contract for which an exercise notice is not received by the Clearing Association by 5:00 p.m. on the last trading day, or is not exercised automatically pursuant to paragraph (b) of this Rule shall expire at that time.

(e) A clearing member that exercises a Commodity Index Option pursuant to paragraph (b) of this Rule, and a clearing member that is assigned an exercise notice pursuant to paragraph (c) of this Rule, on any day must deposit any initial margin and variation margin required for the underlying futures contract before such time as may be prescribed by the rules of the Clearing Association.

(f) Commodity Index Options shall not be transferred, assigned or otherwise disposed of other than on the Exchange, subject to the rules of the Exchange and the Clearing Association.

Rule 7.19. Delinquency in Performance

If a clearing member fails to perform any acts required by this Sub-Chapter, the clearing member will be subject to disciplinary action, and the Exchange may assess such clearing member for the expenses associated therewith.

Rule 7.20. Clearing Member Reports to Clearing Association

All members of the Exchange, who are members of the Clearing Association, shall report to the Clearing Association, not later than 7:00 P.M. on each Business Day, the total number of open long options and the total number of open short options, in each options series, carried by the Clearing member as of the close of business on the Business day. Corrections must be filed with the Clearing Association not later than 11:00 A.M. of the Business Day following the day with respect to which any such report is filed. Such open position report shall be in the form as may from time to time be prescribed by the Clearing Association.

When the account of any customer (other than an account carried on an omnibus basis) has a long and short position in the same option series, only the net position of the customer in that option series will be reported to the Clearing Association, as open interest.

In the case where a long and short position in the same option series is carried by a non-clearing member of the Exchange for a customer, it shall be the responsibility of the carrying member to advise the clearing member that the long and short position is for the account of the same customer. In that event, the clearing member will not report that position to the Clearing Association, as open interest.

All members of the Exchange carrying contracts for the account of others must act with diligence in reporting and correcting errors in their positions as reported to the Clearing Association, by clearing members or to clearing members by carrying members.

Clearing members making corrections in their positions with the Clearing Association subsequent to the publishing of the daily open positions by the Exchange shall promptly file with the Exchange a statement of the details of such correction, the manner in which the error occurred and, if a carrying member be the cause of the error, his name should be supplied.

Rule 13.26. Position Limits for CMI Contracts

Subject to the exceptions contained in this Chapter 13, the maximum combination of options and underlying futures contracts which any one person may own or control in the CMI Contract is 5,000 futures equivalent contracts net on the same side of the market in all months combined or in any one month.

Rule 13.27. Position Limits for SPCI Contracts

Subject to the exceptions contained in this Chapter 13, the maximum combination of options and underlying futures contracts which any one person may own or control in the SPCI Contract is 5,000 futures equivalent contracts net on the same side of the market in all months combined or in any one month.

CSC Clearing Rules/Resolutions

No. 4. Automatic Exercise Levels for [~~Cheddar Cheese~~] CMI Options

RESOLVED, that after the close on the last day of trading in the [~~cheddar cheese~~] CMI options market, the Clearing Association will automatically exercise any open long option that has a striking price below (in the case of a call option) or above (in the case of a put option) the settlement price of the underlying futures contract on that day by an amount which equals or exceeds the minimum price increment permitted under Exchange rules for the underlying futures contract, unless, before the last day of trading, the clearing member carrying such option gives the

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Clearing Corporation written instructions that any such option is to expire unexercised.

No. 5. Automatic Exercise Levels for [Nonfat Dry Milk] SPCI Options

RESOLVED, that after the close on the last day of trading in the [nonfat dry milk] SPCI options market, the Clearing Association will automatically exercise any open long option that has a striking price below (in the case of a call option) or above (in the case of a put option) the settlement price of the underlying futures contract on that day by an amount which equals or exceeds the minimum price increment permitted under Exchange rules for the underlying futures contract, unless, before the last day of trading, the clearing member carrying such option gives the Clearing Corporation written instructions that any such option is to expire unexercised.

~~No. 6. Automatic Exercise Levels for Milk Options~~

~~RESOLVED, that after the close on the last day of trading in the milk options market, the Clearing Association will automatically exercise any open long option that has a striking price below (in the case of a call option) or above (in the case of a put option) the settlement price of the underlying futures contract on that day by an amount which equals or exceeds the minimum price increment permitted under Exchange rules for the underlying futures contract, unless, before the last day of trading, the clearing member carrying such option gives the Clearing Corporation written instructions that any such option is to expire unexercised.~~

~~No. 7. Automatic Exercise Levels for Butter Options~~

~~RESOLVED, that after the close on the last day of trading in the Butter options market, the Clearing Association will automatically exercise any open long option that has a striking price below (in the case of a call option) or above (in the case of a put option) the settlement price of the underlying futures contract on that day by an amount which equals or exceeds the minimum price increment permitted under Exchange rules for the underlying futures contract, unless, before the last day of trading, the clearing member carrying such option gives the Clearing Corporation written instructions that any such option is to expire unexercised.~~

~~No. 8. Automatic Exercise Levels for BFP Options~~

~~RESOLVED, that upon the announcement of the Basic Formula Price for milk (^{as}BFP^{as}) for a delivery of a BFP milk options contract, the Clearing Association will automatically exercise any open long option that has a striking price below (in the case of a call option) or above (in the case of a put option) the settlement price of the underlying futures contract on that day by an amount which equals or exceeds the minimum price increment permitted under Exchange rules for the underlying futures contract, unless, before the last day of trading, the clearing member carrying such option gives the Clearing Corporation written instructions that any such option is to expire unexercised.]~~

DEFINITIONS

Commodity Index Futures Contract

The term "commodity index futures contract" shall mean contracts for future delivery based upon:

- (1) The Commercial Market Index/Price Index; and
- (2) The S&P Commodity Index.

Option on Commodity Index Futures Contract

The term "option on commodity index futures contract" shall mean option contracts whose underlying futures contract is a commodity index futures contract.

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