

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-008

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date: 01/11/24 Filing Description: Initial Listing of the Options on S&P 500 Annual Dividend Index Futures Contract

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

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

Rule Numbers:

New Product

Please note only ONE product per Submission.

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

Official Product Name: See filing.

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

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

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

Rule Numbers:

January 11, 2024

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the Options on S&P 500
 Annual Dividend Index Futures Contract.
 CME Submission No. 24-008**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of Options on the S&P 500® Annual Dividend Index Futures Contract (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, January 28, 2024, for trade date Monday, January 29, 2024, as set forth below.

Section 1 – Contract Specifications

Contract Title	Options on S&P 500® Annual Dividend Index Futures
CME Globex and CME ClearPort Code	SDA
Rulebook Chapter	365A
Underlying Futures Contract / Commodity Code / Rulebook Chapter	S&P 500® Annual Dividend Index Futures / SDA / 365
Contract Unit	One (1) S&P 500 Annual Dividend Index Futures
Trading and Clearing Hours	CME Globex Pre-open: Sunday 5:00 p.m. - 6:00 p.m. Eastern Time (ET) Monday – Thursday 5:45 p.m. - 6:00 p.m. ET CME Globex: Sunday 6:00 p.m. - Friday - 5:00 p.m. ET with a daily maintenance period from 5:00 p.m. - 6:00 p.m. ET CME ClearPort: Sunday 6:00 p.m. - Friday 6:45 p.m. ET with no reporting Monday – Thursday 6:45 p.m. - 7:00 p.m. ET
Settlement Procedure	Deliverable
Listing Schedule	Annual contracts listed for 5 consecutive December contracts
Initial Listing	December 2024, December 2025, December 2026, December 2027, and December 2028
Price Quotation	U.S. dollars and cents per index point
Minimum Price Increment / Financial Equivalent	Premium > 5.00 index points, trading in increments of 0.05 index points (\$12.50) Premium <= 5.00 index points, trading in increments of 0.025 index points (\$6.25)
Termination of Trading	Trading of expiring options terminates at 9:30 a.m. ET on the 3 rd Friday of the contract month.

Exercise Procedure	European Style. Exercisable only on expiration day. Contrarian instructions are prohibited.
Strike Price Listing Schedule	When Listed: 2-points strikes -40% to +25% around at-the-money (ATM) < 366 DTE (Days To Expiry): 1-point strikes -20% to +10% around ATM < 96 DTE: 0.50 strikes -15% to +5% around ATM < 35 DTE: 0.25 strikes -6% to +3% around ATM Dynamic strikes at 0.25
Settlement at Expiration	Option exercise results in a position in the underlying futures contract priced at the strike price. Options which are in-the-money on the last day of trading are automatically exercised into the underlying futures contract, which also expire the same day. The final settlement price of the underlying futures will be used to determine which options are in-the-money.
Block Trade Minimum Threshold	100 contracts – subject to a 15-minute reporting window
CME Globex Matching Algorithm	F-FIFO 100%

Section 2 – Index Definition, Administration and Governance

As noted, the Contract is an option on CME’s S&P 500[®] Annual Dividend Futures Contract, where open positions that are in-the-money on the last trading day settle into the underlying expiring futures contract. For completeness, CME provides the following explanation of the S&P 500[®] Annual Dividend Index (the “Index”) underlying the S&P 500[®] Annual Dividend Futures Contract,

Index Definition

The S&P 500[®] Annual Dividend Index (the “Index”), administered, calculated, and published by S&P Dow Jones Indices LLC (“S&P DJI”), is designed to track the running total accumulation of dividends paid by S&P 500[®] index constituents during the respective Index reference period.¹

The reference period for the Index is one year, spanning from day following the 3rd Friday of the preceding December to the 3rd Friday of the current December. The Index resets to zero at the beginning of each reference period.

At any point within a given reference period, the Index signifies all ordinary gross dividends paid to date on S&P 500[®] constituent stocks that have gone ex-dividend since the start of the reference period. Index inputs are confined to ordinary gross dividends because these “are most likely to be recurring and thus potentially forecastable...”.

Dividends are added on the ex-date, which is consistent with the total return version of the underlying index. Since stock prices are adjusted for dividends on the ex-date, this method is much more straightforward than adding dividends on the pay date.

On each business day within a given Index reference period, the dividends of all S&P 500 index portfolio stocks “going ex-“ that day are summed up and the total is divided by S&P 500 index’s prevailing index divisor, which converts the index in USD amount (e.g., US\$) into index points. Where applicable, dividend payments in another currency are translated into the index currency at the same exchange rate used for the total return version of the underlying index. Except for the reset day where applicable, these index points are added to the cumulative total for the respective period to derive the value of the Index for that day.

¹ The following paragraphs on index methodology are adapted from S&P U.S. Indices Methodology, S&P Dow Jones Indices, December 2023 at: <https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-us-indices.pdf>.

On any given day within a given Index reference period, S&P DJI calculates the Index using the formula:

$$\text{Index}(t) = \sum_{r=0 \dots t} \text{ID}(r)$$

Where:

ID (r) = the index dividend of the underlying index on day r.

r is the running variable that marks passage of time, by business day, within the current Index reference period.

r takes values between 0 and T, such that r = 0 at close of business on the third Friday of the first calendar month in the Index reference period (December) and r = T at close of business on the third Friday of the last calendar month in the Index reference period, the following December for the Index.

The index dividend (ID) of the underlying index is calculated on any given day as the total dividend value for all constituents of the index divided by the index divisor. The total dividend value is calculated as the sum of dividends per share multiplied by index shares outstanding for all constituents of the index which have a dividend going ex on the date in question. In the definitional equation above, ID(r) is the S&P 500® index dividend on day r:

$$\text{ID}(r) = [\sum_{k=1 \dots K} \text{Dividend}(k) * \text{Shares}(k)] / \text{Divisor}(r).$$

k indexes S&P 500® index constituents (1, 2, ... , K) for which dividends go ex on day r.

Dividend(k) is the dividend per share that goes ex on day r for S&P 500® constituent k.

Shares(k) is the number of shares outstanding on day r for S&P 500® constituent k.

Divisor(r) is the S&P 500® index divisor value for day r.

Dividend Types

This list² which follows outlines S&P DJI treatment on dividends. The determination of ongoing eligibility and qualifying for the index is at the discretion of S&P DJI's Index Committee ("Index Committee").

Ordinary Dividend - An ordinary dividend is a distribution of a portion of a company's earnings to its shareholders. Ordinary dividends typically follow a quarterly, semi-annual, or annual cycle and are most often quoted in terms of the payment amount each share receives (dividends per share).

Variable Dividend - To be considered a variable dividend, a company must pay a base dividend and pay an additional variable dividend amount that fluctuates based on company earnings or another metric explicitly stated in the dividend policy. Variable dividends differ from special dividends in that variable dividends are part of the normal dividend policy of the company.

Special or extraordinary dividends are not included in most situations. Special dividends are defined as those dividends that are outside of the normal payment pattern established historically by the corporation. Whether a dividend is funded from operating earnings or from other sources of cash does not affect the determination of whether it is a special dividend. Special dividends are typically larger than ordinary dividends and are quoted in terms of the payment amount each share receives (dividends per share). Generally, there are no patterns for these events, and they may be one-time payments. Special dividends are treated as corporate actions with price and divisor adjustments. For index calculation purposes, a special dividend results in a stock's price being adjusted (reduced) by the payment amount at the opening of the effective date.

² The following paragraphs on Dividends are adapted from, <https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-equity-indices-policies-practices.pdf>.

S&P DJI generally considers the third consecutive instance of a non-ordinary dividend (in terms of timing [i.e., ex-date], not amount) to be ordinary for index purposes as the third consecutive payment is generally considered to be part of the normal payment pattern established by the company.

Special dividends usually have the following characteristics: The company describes it as a “special,” “extra,” “irregular,” “return of capital” “distribution from reserves,” or some other similar term in the dividend announcement. Dividend payments not subject to a withholding tax are usually an indication that the dividend should be treated as special; however, large and out-of- pattern payments are still considered as “special” even if they are subject to a withholding tax.

When an ordinary dividend is increased or decreased, it is still ordinary, not special. When a return of capital is declared in lieu of an ordinary cash dividend and fits the historical pattern of an ordinary dividend in amount and frequency, it is treated as an ordinary cash dividend.

A special dividend is usually defined as not fitting a regular payment out of operating earnings and does not have an impact on future dividend payments. S&P DJI define special dividends as those dividends that are outside of the normal payment pattern established historically by the issuing corporation. These may be described by the company as ‘special’, ‘extra’, ‘year-end’, or ‘return of capital.’” An exception to this exclusion occurs where a S&P 500® constituent company issues recurrent dividends that it terms as ‘special.’ S&P DJI include such recurrent ‘special’ dividends in their calculation of the Indexes.

Return of Capital - A return of capital is a cash distribution of a portion of a company’s share capital or capital surplus. As it is not paid out of net income or retained earnings, it is generally not subject to withholding tax. For index calculation purposes, a return of capital is considered a special dividend. However, when a return of capital is declared in lieu of an ordinary cash dividend and fits the historical pattern of an ordinary dividend in amount and frequency, it is treated as an ordinary cash dividend.

Hybrid Dividends - Hybrid dividends, payable in cash & stock, can be considered as regular or special dividends by S&P DJI.

In certain instances, S&P DJI may decide to add a temporary placeholder security to represent the stock portion of the hybrid dividend when deemed necessary to enhance the replicability of the index and to reduce unnecessary turnover. In such cases, S&P DJI will announce the treatment details with one to five business days’ notice.

Index Administration and Governance

S&P DJI was formed in June 2012 as a joint venture between S&P Indices and Dow Jones Indexes. Headquartered in New York, S&P DJI employs over 400 persons operating out of 20 offices worldwide.

In July 2019, S&P DJI issued its latest Statement of Adherence to the recommendations made by the International Organization of Securities Commissions (“IOSCO”) in its Principles for Financial Benchmarks Final Report (“IOSCO Principles”). In this connection, S&P DJI engaged Ernst & Young LLP “to perform a reasonable assurance examination of S&P DJI’s assertion of their continued support of and adherence with the IOSCO Principles.” S&P DJI’s overall governance and control framework incorporates multiple components that, together, protect the integrity and quality of its Benchmarks. These include:³

- a) A corporate structure that isolates the S&P DJI Benchmark business into a single corporate entity.
- b) An organizational/operating structure that separates commercial functions from operational and analytical functions into distinct reporting lines.

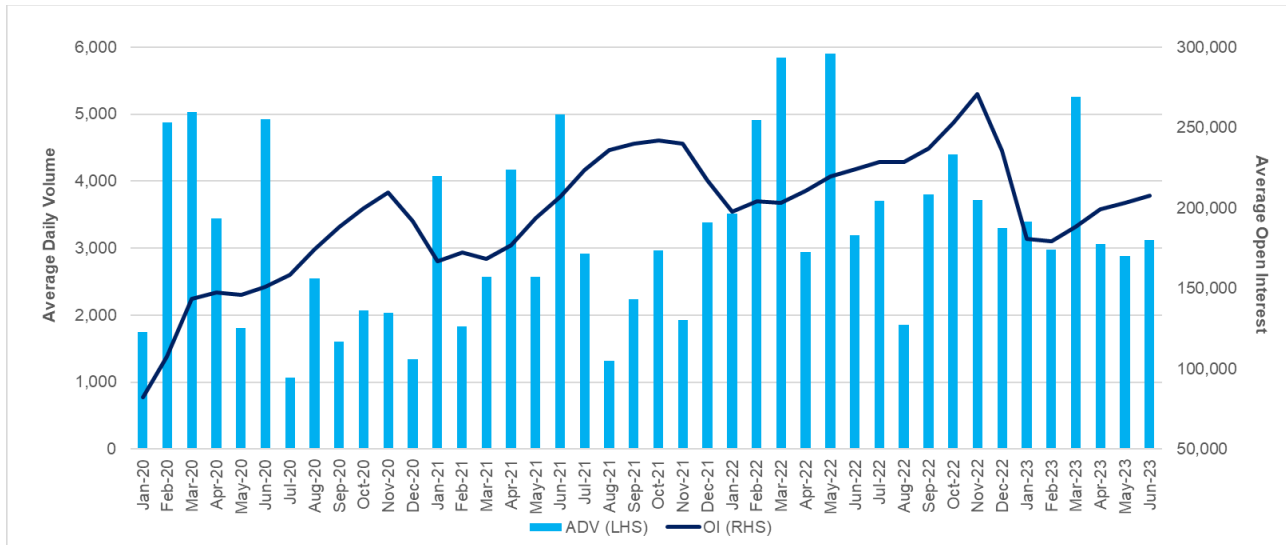
³ Management Statement of Adherence with the IOSCO Principles for Financial Benchmarks for the period June 1, 2018, through May 31, 2019, Section 1, pg 2, S&P Dow Jones Indices, available at <https://www.spglobal.com/spdji/en/governance/methodologies/>, <https://www.spglobal.com/spdji/en/documents/legal/spdji-iosco-report-2023.pdf>

- c) An independent Benchmark governance body (including Index Committees) with documented policies and procedures.
- d) A control framework to ensure a sound process for developing, calculating and distributing Benchmarks.
- e) An oversight function that monitors and enforces, among other things, S&P DJI’s compliance with its various conflicts of interest policies.
- f) Processes with designated roles and teams to work with and oversee the various third parties involved in the Benchmark determination process.

S&P 500 Annual Dividend Futures Evaluation

CME’s S&P 500 Annual Dividend Index Futures contract averaged approximately 4,000 contracts on a daily average volume basis in 2023. Exhibit 3 depicts the monthly S&P 500 Annual Dividend Futures contract’s average daily volume and average open interest.

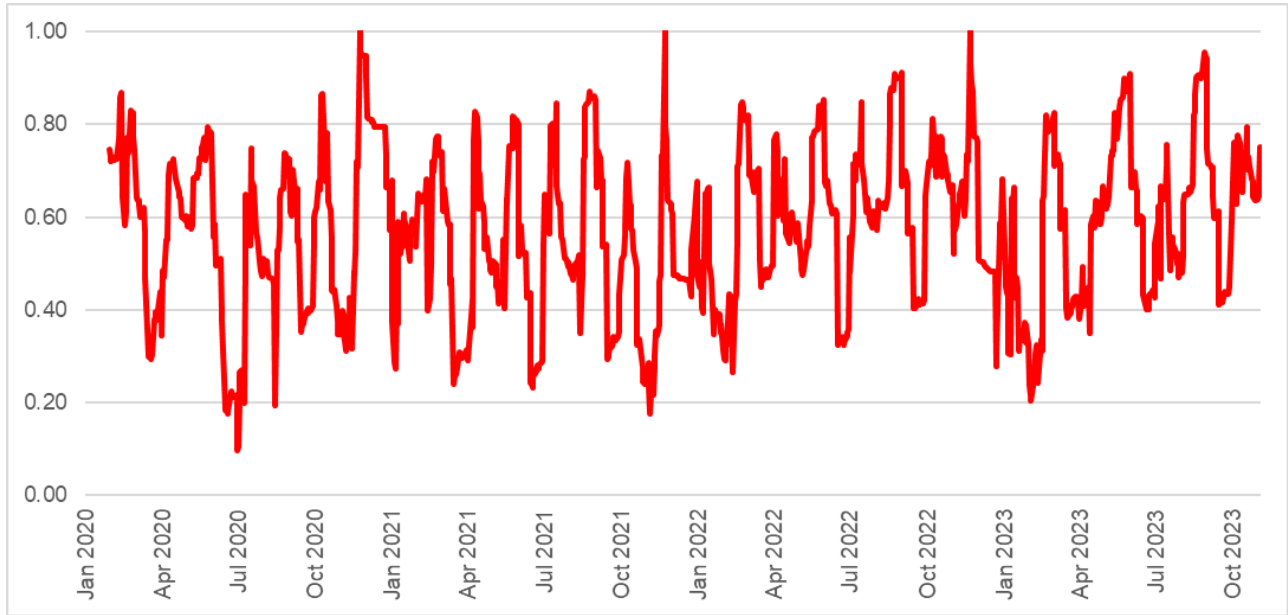
Exhibit 3 - S&P 500 Annual Dividend Futures Monthly Average Daily Volume and Average Open Interest



Source: CME

As a comparison, Exhibit 4 depicts the 20-day rolling correlation of the index returns of the S&P 500 Annual Dividend Index and Russell 2000 Annual Dividend Index. The average 20-day rolling correlation was positive and 57% for the period between January 29, 2020, and November 30, 2023.

Exhibit 4 - S&P 500 Annual Dividend Index vs Russell 2000 Annual Dividend Index 20 Day Rolling Correlation



Source: CME, Bloomberg (SPXDIVAN Index vs R2000DIV Index)

Section 4 - Compliance with Core Principles

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and identified that the Contract may bear upon the following Core Principles:

Core Principle 2 – Compliance with Rules

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

Core Principle 3 – Contracts Not Readily Subject to Manipulation⁴

These Contracts are not readily subject to manipulation as:

- (1) There is no underlying market in which to trade the Annual Index nor their respective component dividends per se.
- (2) Although it is possible that a single actor could attempt to manipulate the dividend policy of a S&P 500[®] index constituent corporation, the possibility is remote because such dividend policy is implemented as an action by the board of directors of such corporation, not as an action of such single actor. Since any dividend so affected would issue from only one of the 400 to 450 S&P 500[®] index constituents that regularly issue dividends, moreover, the impact of such affected dividend upon the Annual Index would likely not be material.⁵

To reduce any susceptibility of the Contracts to price manipulation, the Exchange shall implement the following three prudential measures:

- (a) Targeted trading prohibitions shall apply to “any person who is a director or officer...of a corporation that is a constituent of the S&P 500[®] index” and to “any person who is in possession of material non-public information relating to ordinary cash dividends of a constituent corporation of the S&P 500[®] index...” (See CME Rules 365A01.J. as certified herein, and as set forth in Appendix A.)
- (b) A large trader reporting threshold of one (1) contract shall apply to SDA futures, in addition to a Single-Month Position Limit of 60,000 contracts for SDA futures. Option positions are blended into the futures on a delta equivalent basis. (See the Position Limit, Position Accountability, and Reportable Level Table in CME Rulebook Chapter 5, for which amendments are certified herein, as set forth in Appendix C.)
- (c) The Exchange shall maintain a market surveillance program to identify potential illegal insider trading in either SDA futures or SDA options.

Core Principle 4 – Prevention of Market Disruption

The Contract will be subject to CME Rulebook Chapter 4 and 7, which includes prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the contracts for which terms and

⁴ The analysis of compliance with Core Principle 3 herein tracks closely the Commission’s treatment, found on pp 4-5 of Order Approving the Listing of the Chicago Mercantile Exchange’s S&P 500 Dividend Index Futures Contract, Commodity Futures Trading Commission, Washington, DC, 22 July 2015

⁵ As of November 22, 2023, the S&P 500 index, the underlying index for the S&P 500 Annual Dividend index, comprises 500 constituent firms, with an aggregate market capitalization of \$38.19 trillion, of which around 403 constituent companies currently pay dividends. Statistics referenced below are sourced from SPICE with data as of November 22, 2023

<https://www.spglobal.com/spdji/en/corporate-news/article/sp-dow-jones-indices-reports-us-common-indicated-dividend-payments-increase-13-7-billion-in-q4-2023-and-36-5-billion-in-2023>

<https://www.spglobal.com/spdji/en/documents/additional-material/sp-500-indicated-rate-change.xlsx>

conditions, or amendments to terms and conditions, are certified herein shall be subject to monitoring and surveillance by the Exchange's Market Regulation Department.

In addition, S&P indices are addressed in the Exchange's agreement with Standard & Poor's Financial Services LLC, which imposes the following obligations on S&P:

S&P OBLIGATIONS. (a) Regulatory Approvals or Investigations. S&P shall reasonably assist CME in connection with the preparation of factual materials for presentation to the CFTC, or any other governmental entity, in connection with any application by CME for approval to trade any of the Indexed Contracts licensed hereunder, or any investigations or hearings regarding any such Indexed Contracts.

Core Principle 5 – Position Limits or Accountability

The Contract will aggregate into the Exchange's underlying futures contract, S&P 500® Annual Dividend Index Futures, and shall be subject to a Position Reporting Level of one (1) contract and to an All-Month Position Limit of 60,000 contracts.

Accordingly, as of market close on November 24, 2023, a hypothetical 60,000-contract position in the S&P 500 Annual Dividend Index Futures (70.1 Index points, settle) would have signified notional Index exposure of approximately \$1.05 B (equal to (70.1 Index points) x (\$250 per Index point per contract) x (60,000 contracts)), representing less than 0.03% of Index market capitalization of index parent is S&P 500 (\$38.19 T). Correspondingly, the notional value will be subject to the delta of the newly-listed option Contract.

Core Principle 7 – Availability of General Information

The Exchange shall disseminate a Special Executive Report ("SER") that sets forth information in regard to specifications, terms, and conditions of the Contract. The SER will also be published on the Exchange's website.

Core Principle 8 – Daily Publication of Trading Information

The Exchange shall publish trading volumes, open interest levels, and price information daily of the Contract on the CME Group website and through quote vendors.

Core Principle 9 – Execution of Transactions

The Contract will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex electronic trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.

Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

Core Principle 11 – Financial Integrity of Transactions

The Contract will be cleared by CME Clearing, which is registered with the Commission as a derivative clearing organization, and which is subject to all CFTC regulations related thereto.

Core Principle 12 – Protection of Markets and Market Participants

Chapters 4 and 5 in the CME Rulebook set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in the Exchange's competitive trading venues and will apply to transactions in the Contract.

Core Principle 13 – Disciplinary Procedures

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

Core Principle 14 – Dispute Resolution

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

Appendix A provides CME Rulebook Chapter 365A - Options on S&P 500 Annual Dividend Index Futures. Appendix B provides the Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook. Appendix C provides CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table. Appendix D provides CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table. Appendix E provides the Exchange Fees. Appendix F provides the Strike Price Listing and Exercise Procedure Table.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange certifies that the Contract complies with the Act including all regulations thereunder. There were no substantive opposing views to this proposal.

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

Should you have any questions concerning the above, please contact the undersigned (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachments:	Appendix A	CME Rulebook Chapter 365A - Options on S&P 500 Annual Dividend Index Futures
	Appendix B	Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (attached under separate cover)
	Appendix C	CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
	Appendix D	CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table
	Appendix E	Exchange Fees
	Appendix F	Strike Price Listing and Exercise Procedure Table

Appendix A

CME Rulebook

Chapter 365A

Options on S&P 500[®] Annual Dividend Index Futures

365A00. SCOPE OF CHAPTER

This chapter is limited in application to options on S&P 500[®] Annual Dividend Index futures (“S&P 500[®] Annual Dividend Index futures” or “futures”). In addition to this chapter, options on futures shall be subject to the general rules and regulations of the Exchange as applicable.

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

365A00.A. Primary Listing Exchange

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the U.S. Securities and Exchange Commission (“SEC”), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

365A00.B. Regulatory Halt

For the purposes of this chapter a Regulatory Halt shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4- 631) and as implemented under New York Stock Exchange Rule 7.12 for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

365A01. OPTIONS CHARACTERISTICS

365A01.A. Contract Months, Trading Hours, and Trading Halts

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, *provided that* there shall be no trading in options when trading is halted in the Primary Futures Contract Month for S&P 500[®] Annual Dividend Index futures pursuant to Rule 36502.I.

In accordance with Rule 36502.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract.

365A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one S&P 500[®] Annual Dividend Index futures contract (Chapter 365).

365A01.C. Minimum Fluctuations

Option prices shall be quoted in Index points. Each Index point shall represent \$250.00 per option contract.

The minimum price fluctuation shall be 0.05 Index points (equal to \$12.50 per option contract).

Premium > 5.00 index points, trading in increments of 0.05 index points (\$12.50)

Premium ≤ 5.00 index points, trading in increments of 0.025 index points (\$6.25)

365A01.D. Underlying Futures Contract

The Underlying Futures Contract shall be for delivery on the December S&P 500[®] Annual Dividend Index Futures contract of the same year.

365A01.E. Exercise Prices

Transactions and exercise of options shall be conducted for options contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

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

365A01.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.

365A01.G. Nature of Options

Upon exercise of a put option by the buyer of such option, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 365A01.D.) at such option's exercise price (Rule 365A01.E.). Upon exercise of a call option by the buyer of such option, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price. The options may only be exercised at their expiration.

365A01.H. [Reserved]

365A01.I. Termination of Trading

Trading shall terminate at the same time of the termination of trading in the underlying futures.

365A01.J. Trading Prohibition

The following persons are prohibited from trading in futures (each, a "Prohibited Person"):

1. Any person who is a director or officer, subject to Section 16 of the Securities Exchange Act of 1934 as amended from time to time, of a corporation that is a constituent of the S&P 500® index.
2. Any person who is in possession of material non-public information relating to ordinary cash dividends of a constituent corporation of the S&P 500® index, including (but not limited to) information concerning the timing or amount of any ordinary cash dividend.

365A02. EXERCISE AND ASSIGNMENT

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

365A02.A. Exercise

Any European Style (Rule 365A01.D.1.) option may be exercised only at, and not before, the expiration of such option. Following termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.

Whether an option expires in the money or out of the money shall be determined by the Exchange, in its sole discretion, by reference to the Final Settlement Price of such option's Underlying Futures Contract (Rule 365A01.D.).

An expiring call option shall be in the money if the corresponding Final Settlement Price is at or above such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is strictly below such option's exercise price.

An expiring put option shall be in the money if the corresponding Final Settlement Price is strictly below such option's exercise price and shall be out of the money if the corresponding Final Settlement Price is at or above such option's exercise price.

365A02.B. Assignment

For a given option contract, an exercise notice accepted by the Clearing House in accordance with Rules 365A02.A. shall be assigned by the Clearing House through a process of random selection to clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 365A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

All such futures positions shall be assigned at a price equal to the exercise price of such option contract and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing

House accepts such exercise notice.

365A03. [RESERVED]

365A04. [RESERVED]

365A05.-29. [RESERVED]

(End Chapter 365A)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 365A

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Appendix B
CME Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)

Appendix C
CME Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table

Equity Index		Outrights			Spreads	
	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Outright Minimum Ticks
Options on S&P 500® Annual Dividend Index Futures	SDA	The greater of the following: •Delta multiplied by the underlying futures non-reviewable range •20% of premium up to ¼ of the underlying futures non-reviewable range •5 ticks				

Appendix D

CME Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table

Product	Rulebook Chapter	Commodity Code	Primary/Associated	Associated With	Daily Price Limit	Dynamically Calculated Variant
						(Excluding Regular Trading Hours)
Options on S&P 500® Annual Dividend Index Futures	365A	SDA	Associated	ES	Daily Price Limit Table	

Appendix E
Exchange Fees

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex	\$0.47
	EFP	\$2.28
	EFR	\$2.28
	Block	\$2.28
	Delivery	\$0.09
	Exe Asn Future From	\$0.14
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.61
	EFP	\$2.42
	EFR	\$2.42
	Block	\$2.42
	Delivery	\$0.21
	Exe Asn Future From	\$0.26
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.65
Rule 106.H and 106.N Firms	CME Globex	\$0.77
	EFP	\$2.45
	EFR	\$2.45
	Block	\$2.45
	Delivery	\$0.39
	Exe Asn Future From	\$0.44
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$1.50
Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$1.50
CBOE Members (For S&P products only; for all other products - Non-Member rates apply)	CME Globex	\$1.45
	EFP	\$2.49
	EFR	\$2.49
	Block	\$2.49
	Delivery	\$0.34
	Exe Asn Future From	\$0.39
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex During ETH Only	\$0.97
Non-Members	CME Globex	\$1.50
	EFP	\$2.54
	EFR	\$2.54
	Block	\$2.54
	Delivery	\$0.40
	Exe Asn Future From	\$0.45

Processing Fees	Fee
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40

Appendix F

Strike Price Listing and Exercise Procedures Table

Commodity Code	CME Globex Code	Product Name	Product Group	Product Subgroup	Exchange	Rulebook Chapter	Strike Price Listing Rule	Exercise Style	Contrary Instructions	Margin Style	Exact At-The-Money Characteristics	Underlying Commodity Code	Underlying Product Name
SDA	SDA	Options on S&P 500 Annual Dividend Index Futures	Equity	U.S. Index	CME	365A	<p>Strikes listed for 25% above the at-the-money strike and 40% below the at-the-money strike at 2-index point increments.</p> <p>When less than 356 days remain until expiration (DTE), additional strikes listed for 10% above the at-the-money strike and 20% below the at-the-money strike at 1-index point increment.</p> <p>When less than 96 days remain until expiration (DTE), additional strikes listed for 5% above the at-the-money strike and 15% below the at-the-money strike at 0.50-index point increments.</p> <p>When less than 35 days remain until expiration (DTE), additional strikes listed for 3% above the at-the-money strike and 9% below the at-the-money strike at 0.25-index point increments.</p> <p>Dynamic strikes at 0.25-index point increments.</p>	European	No	Equity	Exercise Calls Abandon Puts	SDA	S&P 500 Annual Dividend Index Futures