

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-536 (1 of 2)

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

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/13/22 **Filing Description:** Migration of Open Interest from the Options on E-mini S&P 500 Index Futures – Quarterly PM (European-Style) Contract to the Weekly Options on E-mini S&P 500 Index Futures – Week 3 (European-Style) 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

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: See filing.

Rule Numbers: See filing.

December 13, 2022

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 40.6(a) Certification. Migration of Open Interest from the Options on E-mini S&P 500 Index Futures – Quarterly PM (European-Style) Contract to the Weekly Options on E-mini S&P 500 Index Futures – Week 3 (European-Style) Contract.
CME Submission No. 22-536 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”), a registered designated contract market (“DCM”) and derivatives clearing organization (“DCO”) under the Commodity Exchange Act, as amended (“CEA” or “Act”), is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) rule amendments to facilitate the conversion of unexpired open positions in the Options on E-mini S&P 500 Index Futures – Quarterly PM (European-Style) contract (the “Quarterly Contract”) at the close of business on Friday, February 10, 2023 into notionally equivalent positions in the Weekly Options on E-mini S&P 500 Index Futures – Week 3 (European-Style) contract (the “Weekly Contract”). Following completion of the conversion process on February 12, 2023, there will be zero (0) open interest in the Quarterly Contract and it will be immediately delisted.

In order to facilitate the conversion process and delisting of the Quarterly Contract, CME will:

1. Expand the listing schedule for the Weekly Contract from 9 non-consecutive week 3 contracts (excluding quarterly months) to 13 consecutive week 3 contracts (including quarterly months);
2. Terminate trading and trade submissions in the Quarterly Contract at close of business on trade date February 10, 2023;
3. Implement the conversion process as further described below and in Exhibit A (Form of Advisory Notice);
4. Delist the Quarterly Contract and make all necessary revisions to the CME Rulebook and website as further described below and in Exhibit B (effective immediately upon completion of the conversion process); and
5. Amend the Position Limit, Position Accountability and Reportable Level Table in Chapter 5 of the CME Rulebook as further described below and in Exhibit C (collectively, the “Rule Amendments”).

| Contract Title | Commodity Code | Rulebook Chapter | Current Listing Schedule | Amended Listing Schedule |
|---|----------------|------------------|--|---|
| Weekly Options on E-mini S&P 500 Index Futures – Week 3 (European-Style) | EW3 | 358A | 9 non-consecutive weekly contracts (excluding quarterly months) | 13 consecutive weekly contracts (including quarterly months) |
| Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Quarterly PM (European-Style) | EYC | 358A | Quarterly contracts (Mar, Jun, Sep, Dec) listed for 4 consecutive quarters | <u>Last listed month:</u> <u>Dec 2023</u> |

Background

In June 2021, CME listed the Quarterly Contract as a solution for option box traders in the aftermath of the S&P 500 Options open outcry, trading floor closure. The Quarterly Contract provides option box traders with access to a European-style option expiry on the 3rd Friday of quarterly months (March, June, September, December), a key date for liquidity provision in the futures and options markets.

Previously the Exchange implemented amendments to the daily settlement of all options on E-mini and Micro S&P 500 Index futures contracts. As a result of those amendments, the Weekly Contract was essentially equalized with the Quarterly Contract. See [CME Submission No. 22-329](#) dated November 1, 2022.

The planned conversion of the Quarterly Contract will have zero (0) economic value change.

Upon the effective date of this Submission, the existing option box strategies will continue to be available utilizing the Weekly Contract.

Engagement with Market Participants

In connection with the Rule Amendments, market participants expressed support for the proposal to convert existing open interest in the Quarterly Contract to the notionally equivalent Weekly Contract.

Substantive Opposing Views

There were no substantive opposing views raised with respect to the conversion process reflected in the text of the Advisory Notice. Clearing Members and market participants have been generally supportive of the proposed conversion and delisting.

Analysis under DCM and DCO Core Principles

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

DCM Core Principles

Compliance with Rules: CME Globex trading and trade submissions in the Quarterly Contract will terminate at the normal close of business time on February 10, 2023. All Quarterly Contract positions that are unexpired at that time will be converted into notionally equivalent Weekly Contract positions during the conversion period. Neither voluntary offset or closure of Quarterly Contract

positions prior to the conversion period nor mandatory conversion during the conversion period will impact the Exchange's ability to monitor or enforce compliance with its Rules.

Contracts Not Readily Subject to Manipulation: The Quarterly Contract and the Weekly Contract counterparts settle to the same index.

Prevention of Market Disruption: The conversion process supports CME's ability to prevent market disruption or price distortion, which could otherwise occur where liquidity in the Quarterly Contract gradually diminishes as they expire and roll off, or where they are listed for trading on CME Globex to trade side-by-side with the Weekly Contract, which would unnecessarily bifurcate liquidity across two screen-based products that serve the same risk management needs. Further, at the time of delisting there will be no open interest in the Quarterly Contract and therefore there will be no market disruption related to their delisting.

Position Limitations or Accountability: Position limits for the Weekly Contract resulting from the conversion will be maintained at current levels, which are equivalent to those for the Quarterly Contract after adjusting for the notional size basis between the respective contracts.

Execution of Transactions: The Exchange will continue its current practice of providing a competitive, open, and efficient market mechanism for executing transactions in the Weekly Contract, including the expansion of the listing schedule of the Weekly Contract.

Trade Information: The Clearing House will convert the Quarterly Contract positions into notionally equivalent Weekly Contract positions. The mechanism for conversion supports electronic confirmations to Clearing Members, regulatory reporting and accurate audit trail data. Positions resulting from the conversion will be reflected on Clearing Member trade registers and CME Group's Daily Bulletin, which shows volume and open interest for all products.

Recordkeeping: Records pertaining to the conversion process will remain subject to recordkeeping requirements established in accordance with this Core Principle.

Antitrust Considerations: Termination of trading in the Quarterly Contract and conversion of open interest will enhance price discovery by transitioning to a deeper pool of liquidity and efficient execution on CME Globex.

Availability of General Information: The Advisory Notice will be published on the CME Group website along with a related SER regarding the Rule Amendments. The SER will also be posted on the CME Group website.

Daily Publication of Trading Information: The Exchange will continue to publish daily trading volumes, open interest levels, and price information for the Weekly Contract on the CME Group website and through quote vendors

DCO Core Principles

Risk Management: The conversion will not impact the Clearing House's ability to manage risk. On a notionally adjusted basis the performance bond requirements for the Quarterly Contract and the Weekly Contract are the same.

Settlement Procedures: The conversion will not impact the Clearing House's ability to effect settlement with its Clearing Members. All Quarterly Contracts will go through the EOD settlement cycle for February 10, with contracts expiring that day following the normal process for final settlement. All positions resulting from the conversion will be subject to daily and final settlement processes for the Weekly Contract.

Reporting: Positions subject to or resulting from the conversion process will be reflected on reports to the Commission in accordance with this Core Principle.

Recordkeeping: Records pertaining to the conversion process will remain subject to recordkeeping requirements established in accordance with this Core Principle.

Public Information: The Advisory Notice will be published on the CME Group website. CME will remove all references to the Quarterly Contract in the product rule chapters and from the CME Rulebook and website.

The text of the Advisory Notice is provided in Exhibit A.

The Advisory Notice is intended to be effective as of February 10, 2023, pending all relevant CFTC regulatory review periods.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the 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 at (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – Form of Advisory Notice
Exhibit B – Amendments to CME Rulebook Chapter 358A (blackline format) (effective close of business February 10, 2023)
Exhibit C – Amendments to the Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (attached under separate cover) (effective close of business February 10, 2023)

Exhibit A

Form of Advisory Notice

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

[
ADVISORY #: 22-[xxx]

DATE: December [xx], 2022

SUBJECT: **Migration of Open Interest from the Options on E-mini S&P 500 Index Futures – Quarterly PM (European-Style) Contract to the Weekly Options on E-mini S&P 500 Index Futures – Week 3 (European-Style) Contract**

Subject to all CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME Clearing”) will implement rule amendments to facilitate the conversion of unexpired open positions in the Options on E-mini S&P 500 Index Futures – Quarterly PM (European-Style) contract (the “Quarterly Contract”) at the close of business on Friday, February 10, 2023 into notionally equivalent positions in the Weekly Options on E-mini S&P 500 Index Futures – Week 3 (European-Style) contract (the “Weekly Contract”). Following completion of the conversion process on February 12, 2023, there will be zero (0) open interest in the Quarterly Contract and it will be immediately delisted.

| Contract Title | Commodity Code | Rulebook Chapter | Current Listing Schedule | Amended Listing Schedule |
|---|----------------|------------------|--|---|
| Weekly Options on E-mini S&P 500 Index Futures – Week 3 (European-Style) | EW3 | 358A | 9 non-consecutive weekly contracts (excluding quarterly months) | 13 consecutive weekly contracts (including quarterly months) |
| Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Quarterly PM (European-Style) | EYC | 358A | Quarterly contracts (Mar, Jun, Sep, Dec) listed for 4 consecutive quarters | <u>Last listed month: Dec 2023</u> |

Given the importance of EYC contract for risk management purposes, CME will expand the listing schedule of the existing Weekly Contract, specifically the week 3 contract (contract code EW3). The existing EW3 contract has the same economic characteristics as the EYC contract and the listing expansion of EW3 will enable customers to trade contract expiries that previously only existed under the EYC contract. The expanded listing schedule of EW3 will be available for trading on CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort at 5:00 p.m. CT Sunday, February 12, 2023, for trade date Monday, February 13, 2023.

Please note the behavior for the EYC contract is quarterly contracts (Mar, Jun, Sep, Dec) listed for 4 consecutive quarters, with trading terminating on the 3rd Friday of the contract month. Currently EW3 contract expiries are listed as 9 weekly contracts (excluding quarterly months) and trading terminates at 3:00 p.m. CT on Friday of the contract week. With the listing expansion, this will change to 13 consecutive weekly contracts (including quarterly months) and trading will terminate at 3:00 p.m. CT on Friday of the contract week.

In order to support Clearing Members with open interest in EYC contracts after trading ceases at 4.00 p.m. CT on Friday February 10, 2023, CME Clearing will convert those positions into an equivalent strike and expiry in the EW3 contract. CME Clearing will be in touch with Clearing Members prior to the conversion weekend, however the conversion process will look as follows:

1. On Friday February 10, 2023, trading in the EYC contract will terminate at 4:00 p.m. CT. For Friday's end of day clearing cycle, it is important that Clearing Members complete all their allocation activity in the EYC contract and ensure an accurate PCS is submitted given that Friday's EOD positions will be used in the conversion process to establish the EW3 positions.
2. On Sunday February 12, 2023, prior to the trading open at 5:00 p.m. CT, CME Clearing will convert individual trading positions in outstanding EYC positions through establishing offsetting transfers in the Clearing Members' account opposite the CME 995 account to establish notionally equivalent positions from EOD Friday into EW3 positions. For each 1 contract position a Clearing Member holds in the EYC contract, CME Clearing will process 2 transfers: 1 transfer offsetting the EYC position and 1 transfer offsetting an EW3 position. These transfers will be processed at a trade price of 0 and Clearing Members will receive clearing confirmation messages for these transfers. CME Clearing will provide a file to clearing Members showing the transfers booked in the conversion process. At 5:00 p.m. on Sunday, the expanded listing schedule of the EW3 contract will be available for trading and clearing for trade date Monday February 13, 2023.
3. On Monday February 13, 2023, should Clearing Members need to make any morning Position Change Submission ("PCS") adjustments in the EYC contract as a result of an inaccurate PCS value from Friday, the open interest adjustments should be performed on the converted EW3 positions prior to the normal 8:15 a.m. CT deadline. For the end of day clearing cycle on Monday, Clearing Members should submit a PCS value of 0 for their EYC positions or refrain from submitting a value for EYC positions altogether.

Should Clearing Members have any questions please call 312-207-2525 or email ccs@cmegroup.com.

Exhibit B

CME Rulebook

(additions underscoring; deletions ~~struck through~~)

(effective close of business February 10, 2023)

Chapter 358A Options on E-mini® Standard and Poor's 500 Stock Price Index Futures

358A00. SCOPE OF CHAPTER

This chapter is limited in application to options on E-mini Standard and Poor's 500 Stock Price Index futures ("E-mini S&P 500 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.

358A00.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).

358A00.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.

358A01. OPTIONS CHARACTERISTICS

358A01.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 E-mini S&P 500 Index futures pursuant to Rule 35802.I.

In accordance with Rule 35802.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract.

358A01.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 E-mini S&P 500 Index futures contract (Chapter 358).

358A01.C. Minimum Fluctuations

Option prices shall be quoted in Index points. Each Index point shall represent \$50.00 per option contract.

Subject to Rule 358A01.C.1., the minimum price fluctuation shall be 0.25 Index points (equal to \$12.50 per option contract), for trades executed on CME Globex electronic trading platform, *provided that* trades at price levels equal to or less than 5.00 Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$2.50 per option contract), and *provided that* trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade. For transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

1. Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable CME Globex minimum price fluctuation as set forth in this Rule, *provided that* for any option spread or combination that trades at a net premium of 5.00 Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points. For spread and combination transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

358A01.D. Underlying Futures Contract

1. American Style Options in the March Quarterly Cycle (“Quarterly options”)

For any American style option for which the expiration month is in the March quarterly cycle (i.e., March, June, September, or December), the Underlying Futures Contract shall be for delivery in such option’s expiration month.

Example: For a given year, futures for delivery in March shall be the Underlying Futures Contract for a March Quarterly option.

2. European Style Weekly Options

For any European style Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35803.A.

Examples: For a given year, futures for delivery in June shall be the Underlying Futures Contract for third (3rd) March, fourth (4th) March, first (1st) April, second (2nd) April, third (3rd) April, fourth (4th) April, first (1st) May, second (2nd) May, third (3rd) May, fourth (4th) May, first (1st) June, and second (2nd) June European style Weekly options. Futures for delivery in September shall be the Underlying Futures Contract for third (3rd) June and fourth (4th) June European style Weekly options.

The Exchange shall not list a European style Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

3. European Style Monday Weekly Options

For any European style Monday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35803.A.

The Exchange shall not list a European style Monday Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

4. European Style Tuesday Weekly Options

For any European style Tuesday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35803.A.

The Exchange shall not list a European style Tuesday Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

5. European Style Wednesday Weekly Options

For any European style Wednesday Weekly option for the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35803.A.

The Exchange shall not list a European style Wednesday Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

6. European Style Thursday Weekly Options

For any European Style Thursday option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35803.A.

The Exchange shall not list a European style Thursday Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

7. European Style End-of-Month Options

For any European style End-of-Month option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35803.A.

Examples: For a given year, futures for delivery in March shall be the Underlying Futures Contract for a January European style End-of-Month option and for a February European style End-of-Month option. Futures for delivery in June shall be the Underlying Futures Contract for a March European style End-of-Month option.

8. European Style Quarterly PM Options

~~For any European Style Quarterly PM option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option's expiration, subject to Rule 35803.A.~~

~~Example: For a given year, futures for delivery in June shall be the Underlying Futures Contract for a March European Style Quarterly PM option.~~

358A01.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.

358A01.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.

358A01.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 358A01.D.) at such option's exercise price (Rule 358A01.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.

1. Quarterly Options

The buyer of a Quarterly option (Rule 358A01.D.1.) may exercise such option at any time prior to its expiration.

2. All Options Excluding Quarterly Options

European Style Weekly (Rule 358A01.D.2.), European Style Monday Weekly (Rule 358A01.D.3.), European Style Tuesday Weekly (Rule 358A01.D.4.), Wednesday Weekly (Rule 358A01.D.5.), Thursday Weekly (Rule 358A01.D.6.), or European Style End-of-Month (Rule 358A01.D.7.), ~~or European Style Quarterly PM (Rule 358A01.D.8.)~~ options may be exercised only at expiration.

358A01.H. [Reserved]

358A01.I. Termination of Trading

1. Quarterly Options

Trading in any Quarterly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 358A01.D.1.).

2. European Style Weekly Options

Trading in any European style Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 358A00.A.), on the Friday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Weekly options, and such options shall expire, on the first Friday of such month.

Trading shall terminate in European style Second Weekly options, and such options shall expire, on the second Friday of such month. Trading shall terminate in European style Third Weekly options, and such options shall expire, on the third Friday of such month.

Trading shall terminate in European style Fourth Weekly options, and such options shall expire, on the fourth Friday of such month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

3. European Style Monday Weekly Options

Trading in any European style Monday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 358A00.A.), on the Monday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Monday Weekly options, and such options shall expire, on the first Monday of such month.

Trading shall terminate in European style Second Monday Weekly options, and such options shall expire, on the second Monday of such month.

Trading shall terminate in European style Third Monday Weekly options, and such options shall expire, on the third Monday of such month.

Trading shall terminate in European style Fourth Monday Weekly options, and such options shall expire, on the fourth Monday of such month.

Trading shall terminate in European style Fifth Monday Weekly options, and such options shall expire, on the fifth Monday of such month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

4. European Style Tuesday Weekly Options

Trading in any European style Tuesday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 358A00.A.), on the Tuesday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Tuesday Weekly options, and such options shall expire, on the first Tuesday of such month.

Trading shall terminate in European style Second Tuesday Weekly options, and such options shall expire, on the second Tuesday of such month.

Trading shall terminate in European style Third Tuesday Weekly options, and such options shall expire, on the third Tuesday of such month.

Trading shall terminate in European style Fourth Tuesday Weekly options, and such options shall expire, on the fourth Tuesday of such month.

Trading shall terminate in European style Fifth Tuesday Weekly options, and such options shall expire, on the fifth Tuesday of such month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

5. European Style Wednesday Weekly Options

Trading in any European style Wednesday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 358A00.A.), on the Wednesday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Wednesday Weekly options, and such options shall expire, on the first Wednesday of such month.

Trading shall terminate in European style Second Wednesday Weekly options, and such options shall expire, on the second Wednesday of such month.

Trading shall terminate in European style Third Wednesday Weekly options, and such options shall expire, on the third Wednesday of such month.

Trading shall terminate in European style Fourth Wednesday Weekly options, and such options shall expire, on the fourth Wednesday of such month.

Trading shall terminate in European style Fifth Wednesday Weekly options, and such options shall expire, on the fifth Wednesday of such month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

6. European Style Thursday Weekly Options

Trading in any European style Thursday Weekly option shall terminate at 3:00 p.m., or at noon in the

case of an early scheduled close of the Primary Listing Exchange (Rule 358A00.A.), on the Thursday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Thursday Weekly options, and such options shall expire, on the first Thursday of such month.

Trading shall terminate in European style Second Thursday Weekly options, and such options shall expire, on the second Thursday of such month.

Trading shall terminate in European style Third Thursday Weekly options, and such options shall expire, on the third Thursday of such month.

Trading shall terminate in European style Fourth Thursday Weekly options, and such options shall expire, on the fourth Thursday of such month.

Trading shall terminate in European style Fifth Thursday Weekly options, and such options shall expire, on the fifth Thursday of such month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

7. European Style End-Of-Month Options

Trading in any European End-Of-Month option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 358A00.A.), on the last Business Day of such option's expiration month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

8. European Style Quarterly PM Options

~~Trading in any European Style Quarterly PM option shall terminate at 3:00 p.m., or at noon in the case of any early scheduled close of the Primary Listing Exchange (Rule 358A00.A.), on the day on which the final settlement price of the Futures Contract Month immediately preceding such option's Underlying Futures Contract is scheduled to be determined.~~

~~If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading, then trading in such option shall terminate, and such option shall expire, on the day on which the market in such Underlying Futures Contract is open for trading.~~

9.8. Unscheduled Market Holiday

Notwithstanding the aforementioned, if the Primary Listing Exchange (Rule 358A00.A.) is closed in observance of an unscheduled market holiday on a day previously scheduled as a Business Day, then trading in option contracts that had been scheduled to expire on such day shall terminate, and such option contracts shall expire, on the Business Day immediately preceding such unscheduled market holiday.

358A01.J. [Reserved]

358A02. EXERCISE AND ASSIGNMENT

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

358A02.A. Exercise

1. Quarterly Options

Any Quarterly option (Rule 358A01.D.1.) may be exercised by the buyer on any Business Day prior to and including such option's Expiration Date. To exercise such option, the clearing member representing the option buyer shall present an exercise notice to the Clearing House by 5:30 p.m., or by such other time as the Exchange may designate, on the day of exercise.

Any unexercised option shall expire at 5:30 p.m. on the day scheduled for determination of the Final Settlement Price (Rule 35803.A.) of such option's Underlying Futures Contract. Any option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically upon expiration, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 5:30 p.m., or at such other time on such option's Expiration Date as may be designated by the Exchange.

An expiring call option shall be in the money if the Final Settlement Price of such option's Underlying

Futures Contract (Rule 358A01.D.) on such option's Expiration Date is strictly above such option's exercise price, and shall be out of the money if such settlement price is at or below such option's exercise price.

An expiring put option shall be in the money if the Final Settlement Price of such option's Underlying Futures Contract on such option's Expiration Date is strictly below such option's exercise price, and shall be out of the money if such Final Settlement Price is at or above such option's exercise price.

2. All Options Excluding Quarterly Options

Any European Style Weekly (Rule 358A01.D.2.), European Style Monday Weekly (Rule 358A01.D.3.), European Style Tuesday Weekly (Rule 358A01.D.4.), Wednesday Weekly (Rule 358A01.D.5.), Thursday Weekly (Rule 358A01.D.6.), ~~or European Style End-of-Month (Rule 358A01.D.7.)~~, ~~or European Style Quarterly PM (Rule 358A01.D.8.)~~ 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 Fixing Price of such option's Underlying Futures Contract (Rule 358A01.D.). The Exchange, in its sole discretion, shall set such Fixing Price on the last day of trading in such option, as follows:

Tier 1

Such Fixing Price shall be based on the volume-weighted average price of transactions in such futures on the CME Globex electronic trading platform during the interval (i) between 2:59:30 p.m. and 3:00:00 p.m., or (ii) in the case of an early scheduled close of the Primary Listing Exchange, between 11:59:30 a.m. and noon, or (iii) in the event of an unscheduled early close of the Primary Listing Exchange, the final thirty (30) seconds of the Primary Listing Exchange trading day ("Reference Interval").

Tier 2

If no such transaction occurs during the Reference Interval, then such Fixing Price shall be based on the average of midpoints of bid/ask spreads for such futures quoted on CME Globex during the Reference Interval, provided that the Fixing Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 0.50 Index points (equal to two (2) minimum price increments).

Tier 3

If such Fixing Price cannot be determined pursuant to Tier 1 or Tier 2, then the Exchange, in its sole discretion, shall set such Fixing Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures contract's price and the Index, or application of Tier 1 or Tier 2, calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Fixing Price value shall be rounded to the nearest integer multiple of 0.01 Index points. Such Fixing Price, so rounded, shall be used to determine whether an option expires in the money or out of the money.

If, at the time such Fixing Price is scheduled to be calculated in respect of expiring options, the Primary Listing Exchange (Rule 358A00.A.) is subject to a Regulatory Halt (Rule 358A00.B.), and the Primary Futures Contract Month is limit offered at the maximum price limit permissible during such Regulatory Halt pursuant to Rule 35802.I., then (a) such option shall expire at 8:31 a.m. on the next following Business Day on which a Regulatory Halt is not in effect, and (b) the Fixing Price in respect of such option shall be calculated in accordance with the corresponding provisions of this Rule, on the basis of a reference interval beginning at 8:30:30 a.m. and concluding at 8:31:00 a.m. If, during any portion of the 30-second period from 8:30:30 a.m. – 8:31:00 a.m. CT, there is a Level 1 or Level 2 Regulatory Halt in effect, the Fixing Price shall be calculated using trades consummated during the 30-second period commencing with the lifting of such Regulatory Halt. If a subsequent Regulatory Halt is declared during this 30-second period, the calculation of the Fixing Price shall be based strictly on those trades consummated prior to such subsequent Regulatory Halt.

For the avoidance of doubt, in the event there is a Level 1 or Level 2 Regulatory Halt during the time period of 8:30:30 – 8:31:00 am CT, no trades during that time period (8:30:30 – 8:31:00 am CT) will be used in the calculation of the Fixing Price.

In the case that the underlying futures contract for a given European style option expires without any trading activity that would permit the calculation of the Fixing Price, then such Fixing Price will be equal

to the Final Settlement Price of such option's Underlying Futures Contract (Rule 358A01.D.) (For example, if there exists such a Regulatory Halt (Rule 358A00.B.) on the Thursday prior to the 3rd Friday in the March quarterly cycle, there may be no trading activity in the expiring futures upon which to predicate the Fixing Price).

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

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

358A02.B. Assignment

For a given option contract, an exercise notice accepted by the Clearing House in accordance with Rules 358A02.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 358A01.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.

358A03. [RESERVED]

358A04. [RESERVED]

358A05.-29. [RESERVED]

(End Chapter 358A)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 358A**

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the S&P Stock Indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

Exhibit C

**CME Rulebook
Chapter 5
("Trading Qualifications and Practices")**

Position Limits, Position Accountability and Reportable Level Table

(attached under separate cover)

(deletions ~~struck through~~)

(effective close of business February 10, 2023)