

CANTOR EXCHANGE FOREIGN EXCHANGE RATE SPOT INDEX

DAILY FUTURES AND BINARY FLEX OPTION

CONTRACT RULES

I-1. Scope and Underlying

(a) This Chapter governs transactions involving all Contracts derived from the Cantor Exchange Foreign Exchange Rate Spot Index ("FXSI") Contracts including Daily FXSI Futures Contracts and FXSI Binary Flex Option Contracts.

(b) These Contract Rules will govern the trading on the Cantor Futures Exchange, L.P. (the "Exchange") of the FXSI contract. Clearing of the FXSI contract will be governed by the rules of the Cantor Clearinghouse, L.P. (the "Clearinghouse"). These Contract Rules are established pursuant to and constitute "Contract Rules" under Rule I-5 of the Rules of the Exchange and constitute "Contract Rules" Under Rule I-7 of the Rules of the Clearinghouse. Capitalized terms used but not defined herein have the meanings ascribed to them in the Rules of the Exchange or the Rules of the Clearinghouse, as applicable.

I-2. Calculation of the Cantor Exchange Foreign Exchange Rate Spot Index

(a) The FXSI will be calculated for the following currency pairs:

- (i) U.S. dollars per British pound ("GBP_USD");
- (ii) U.S. dollars per Euro ("EUR_USD");
- (iii) Japanese yen per U.S. dollar ("USD_JPY");
- (iv) Swiss francs per U.S. dollar ("USD_CHF");
- (v) Canadian dollars per U.S. dollar ("USD_CAD");
- (vi) Japanese yen per Euro ("EUR_JPY");

(b) The Cantor Exchange Foreign Exchange Rate Spot Index ("FXSI") will be calculated by the Exchange for the currency pairs listed in (a) by continuously taking the midpoint of the last eight spot quotations for each currency pair exchange rate received by the Exchange from an independent, third party source, which is generally recognized as a major distributor of currency pricing information, then removing the two highest and two lowest midpoint values and calculating the arithmetic mean of the remaining four values and rounding to the fourth decimal place ("GBP_USD", "EUR_USD", "USD_CHF", "USD_CAD") or second decimal place ("USD_JPY", "EUR_JPY") as appropriate. In the event that no quotes are available from that vendor during a period of time exceeding one-half hour, then the Exchange shall calculate the price, in its sole and absolute discretion, using the best available indicative

prices of the spot market value of the currencies. In the event that quotes are unavailable for a period of less than one-half hour, the FXSI shall be the last index value calculated. Nothing in this paragraph shall preclude the Exchange in an Emergency declared under Exchange Rule IV-19 from calculating the FXSI in a manner different from the methodology provided in this paragraph in its sole and absolute discretion.

I-3. Trading Hours for FXSI Daily Futures and Binary Flex Option Contracts

(a) Except as otherwise posted on the Exchange website, FXSI contracts will be open for trading Sunday 6:00 PM ET until Friday 3:00 PM ET.

(b) Abbreviated holiday trading schedules may apply and will be posted on the Exchange website.

FXSI DAILY FUTURES CONTRACT RULES

I-4. Daily FXSI Futures Contract Size

(a) Each "GBP_USD", "EUR_USD", "USD_CHF", or "USD_CAD" FXSI Daily Futures Contract shall be valued at one thousand dollars (\$1,000.00) times the underlying FXSI;

(b) Each "USD_JPY" or "EUR_JPY" Daily Futures Contract shall be valued at ten dollars (\$10.00) times the underlying FXSI.

I-5. Daily FXSI Futures Contract Quotation Description; Minimum Increment

(a) FXSI Contracts will be quoted as an index to four decimal places ("GBP_USD", "EUR_USD", "USD_CHF", "USD_CAD") or two decimal place ("USD_JPY", "EUR_JPY") as appropriate.

(b) The minimum trading increment of each FXSI Contract is 0.0001 ("GBP_USD", "EUR_USD", "USD_CHF", "USD_CAD") or 0.01 ("USD_JPY", "EUR_JPY"). The value of a minimum trading increment is ten U.S. cents (\$0.10) for each FXSI currency pair.

I-6. Daily FXSI Futures First Time of Trading, Last Time of Trading, Final Settlement

(a) Daily FXSI Futures Contracts shall be listed for trading for each Exchange Trading Day except as otherwise published on the Exchange website.

(b) Each Daily FXSI Futures Contract shall begin trading one hour prior to the expiration of the previous Daily FXSI Futures Contract expiration time.

(c) Each Daily FXSI Futures Contract shall cease trading at 3:00 PM ET on the Trading Day that corresponds to its expiration date.

(d) Each open position in Daily FXSI Futures Contracts will be Cash Settled at the corresponding FXSI value for the underlying currency pair at 3:00 PM ET on the Contract's expiration date.

I-7. Daily FXSI Futures Position Accountability Levels

The position accountability level shall be 10,000 Daily FXSI Futures Contracts net short or net long.

I-8. Original Margin for Daily FXSI Futures Contracts

The original margin for outright positions in Daily FXSI Futures Contracts shall be established by the Clearinghouse and posted on the Exchange website, *provided, however*, that under no circumstances shall such rate be less than 2% of the notional value of the FXSI Contract.

I-9. Daily FXSI Futures Contract Symbols

Each Daily FXSI Contract will be assigned a unique ticker symbol consisting of the currency pair code plus MMDDYY where MMDDYY is the month, day, year of the Contract's expiration (e.g. "GBP_USD_093010").

FXSI BINARY FLEX OPTION CONTRACT RULES

I-10. FXSI Binary Flex Option Introduction

FXSI Binary Flex Option Contracts are cash settled at the time of expiration as described in I-12(c) below.

FXSI Binary Flex Option Contracts RFQs shall include the underlying strike price being requested and the expiration time of the option and may include the number of contracts available for purchase or sale and corresponding price. All responses to RFQs shall include the number of contracts that are available for purchase or sale and the corresponding price.

All orders for FXSI Binary Flex Options (including any limit orders placed as part of an RFQ or in response to an RFQ) shall be filled in strict price/time priority.

I-11. FXSI Binary Flex Options First Time of Trading, Last Time of Trading, Time of Expiration

FXSI Binary Flex Option Contracts become tradable immediately upon a Request For Quote ("RFQ") being submitted through the Cantor Direct System and are available for trading from the time of RFQ acceptance by the Cantor Direct System until contract expiration.

The initiating RFQ for FXSI Binary Flex Option Contracts must include the date, hour and minute of expiration not more than 180 days from the trading date of initial RFQ submission.

I-12. FXSI Binary Flex Option Contract Final Settlement

(a) Each FXSI Binary Flex Option Contract will be automatically exercised and settled at its expiration time exclusively by cash settlement, with no provision for early exercise.

(b) Each open position in FXSI Binary Flex Option Contracts will be Cash Settled at the corresponding FXSI value for the underlying currency at the Contract's expiration time.

(c) If at the time of expiration the FXSI is above the strike price each purchaser shall be paid one hundred dollars (\$100.00); if at the time of expiration the FXSI is below the strike price, each seller shall be paid one hundred dollars (\$100.00); if at the time of expiration the FXSI is equal to the strike price, each purchaser *and* each seller shall receive fifty dollars (\$50.00).

I-13. FXSI Binary Flex Option Quotation and Minimum Increment

(a) Each FXSI Binary Flex Option Contract will be quoted in whole points, e.g. "34", between zero and one hundred.

(b) The minimum trading increment of each FXSI Binary Flex Option Contract is 1 point, representing the equivalent of one dollar (\$1.00) per Contract.

I-14. Determination of FXSI Binary Flex Option Strike Prices

(a) Each FXSI Binary Flex Option shall have a strike price specified in the initial RFQ and specified to the nearest 0.001 ("GBP_USD", "EUR_USD", "USD_CHF", "USD_CAD") or 0.1 ("USD_JPY", "EUR_JPY").

I-15. FXSI Binary Flex Option Position Accountability Levels

The position accountability level shall be 10,000 FXSI Binary Flex Option Contracts net long or net short.

I-16. Original Margin for FXSI Binary Flex Option Contracts

(a) Buyers of FXSI Binary Flex Option Contracts shall post one dollar times the purchase price as Original Margin;

(b) Sellers of FXSI Binary Flex Option Contracts shall post one dollar times one hundred minus the sale price as Original Margin.

I-17. FXSI Binary Flex Option Contract Symbols

Each FXSI Binary Flex Option Contract will be assigned a unique ticker symbol consisting of the currency pair code plus MMDD_hhmm where MMDD is the month and day and hhmm is the hour and minute of the Contract's expiration (e.g. "GBP_USD_1215_1100").