

CANTOR FUTURES EXCHANGE, L.P.
CHAPTER IX
CONTRACTS

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IX-3100. MONTHLY AGGREGATE RAINFALL INDEX BINARY OPTIONS

(a) Scope and Underlying

(i) These Contract Rules will govern the trading on the Cantor Futures Exchange, L.P. (the “Exchange”) of the MONTHLY AGGREGATE RAINFALL INDEX BINARY OPTION CONTRACT (“MARI Contract”). In general, the Contract is a binary option that will settle at the end of each calendar month and will pay \$1.00 per contract to any long position holder if the rainfall index amount at the specified location is equal to or greater than the strike level; \$1.00 per contract to any short position holder if the rainfall index amount at the specified location is less than the strike level; and nothing at all to other holders of that contract.

(ii) Clearing of the MARI 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 IX-4(e) of the Rules of the Exchange and constitute “Contract Rules” Under Rule IX-4(g) 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.

(b) Calculation and Quotation of the Index

(i) The Monthly Aggregate Rainfall Index represents the total liquid precipitation (including frozen equivalents melted and measured) reported by specific measuring stations during each calendar month and measured in hundredths of inches.

(ii) Each index point shall be quoted to the nearest one-hundredth of a point and each point represents one inch of reported rainfall at the specified location (e.g. an index value of 5.53 indicates that the specified location has reported 5.53 inches of rainfall).

(iii) The Exchange may publish intra-month values of the Monthly Aggregate Rainfall Index value during the current calendar month. These values, when published, will be available on the Exchange website.

(iv) The Monthly Aggregate Rainfall Index will be calculated by the Exchange relying primarily on data published in the Climate Report (“CLI”) and Preliminary Local Climatological Data (“CF-6”) reports by the National Weather Service (“NWS”). The Exchange makes no warranties with respect to the accuracy of the data published by the NWS and in its discretion may use other public and private weather reporting sources to determine the Monthly Aggregate Rainfall Index when doing so is in the best interest of the marketplace. The Exchange

shall document the information on which it bases its calculation of the Monthly Aggregate Rainfall Index.

Amounts reported in the CLI and CF6 reports may be subject to revision and may not accurately reflect the actual rainfall occurring during a calendar month at a given reporting station. Any such revision in the reported amount may be taken into consideration by the Exchange for inclusion into its Monthly Aggregate Rainfall Index calculation except that no such revision will cause the Monthly Aggregate Rainfall Index to be less than a previously published Monthly Aggregate Rainfall Index value for the specified location in any given month.

(c) Contract Months

The Exchange may make available for trading contracts in any months that it sees fit, including the current calendar month. The complete list of such months may be found on the Exchange website.

(d) Contract Locations

The Exchange may list contracts for any location that has sufficient weather reporting capabilities to calculate the Monthly Aggregate Rainfall Index. The complete list of such locations may be found on the Exchange website.

(e) Strike Price Intervals

Strike prices shall be stated in terms of the respective Monthly Aggregate Rainfall Index quotation levels. At least five (5) such strikes shall be available for each tradable location and each tradable calendar month. The complete list of strike prices for each location may be found on the Exchange website.

(f) Trading Days and Trading Hours

(i) Regular trading of MARI Contracts will be Sunday 6:30 PM ET through Friday 4:00 PM ET, continuously.

(ii) The Exchange will provide for trading, including Saturdays, Sundays and holidays, of MARI Contracts during the period that begins on the fifth day prior to the Last Trading Day of each contract.

(iii) Notwithstanding Rule IX-3100(f)(i) and IX-3100(f)(ii) above, the Exchange may permit modifications to these Trading Days and Trading Hours for the purposes of (A) scheduled technology maintenance, (B) abbreviated holiday trading schedules, and (C) as required by market or environmental considerations. All such changes shall be published on the Exchange website.

(g) First Day of Trading, Last Day of Trading, Early Termination of Trading

(i) The First Trading Day for each MARI Contract will be published on the Exchange website.

(ii) The Last Trading Day shall be the day after the last calendar day of the month corresponding to each MARI Contract. Trading shall terminate at noon on such day.

(iii) Early Termination of Trading for each MARI Contract will occur any time the Exchange publishes a Monthly Aggregate Rain Index value that exceeds the strike level for a given location in a given contract month. For example, if the Exchange publishes a MARI value of 1.5 on December 5, 2017 for the KJFK location, then the Exchange will provide for a final settlement of any December MARI contracts for the KJFK location with any strike price that is at or below 1.5 and trading in such contract(s) will terminate upon such final settlement.

(h) Price Limits and Minimum Increment

(i) There shall be no trading in MARI Contracts at more than ninety-nine cents (\$0.99) or less than one cent (\$0.01).

(ii) The minimum trading increment of each MARI Contract is one cent (\$0.01).

(i) Position Accountability Levels

The position accountability level shall be 10,000 contracts net short or net long for each MARI location.

(j) Original Margin Requirements

Original Margin shall be 100% of the at-risk amount for all Participants of each MARI Contract as required by the Clearinghouse.