

CANTOR FUTURES EXCHANGE, L.P.
CHAPTER IX
CONTRACTS

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**IX-3200. WEEKLY PRECIPITATION DAY COUNT 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 WEEKLY PRECIPITATION DAY COUNT INDEX BINARY OPTION CONTRACT (“WPDC Contract”). In general, the Contract is a binary option that will settle once per week and will pay \$1.00 per contract to any long position holder if the Weekly Precipitation Day Count Index at the specified location is equal to or greater than the strike level; \$1.00 per contract to any short position holder if the Weekly Precipitation Day Count Index at the specified location is less than the strike level; and nothing at all to other holders of that contract.

(ii) Clearing of the WPDC 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 Day Count Index

(i) The Weekly Precipitation Day Count Index is defined as the number of days in which the total liquid precipitation (including frozen equivalents melted and measured) reported by specific measuring stations during each week and measured in hundredths of inches equals or exceeds the Threshold Amount of rain for that location and week as specified in Table 1.

(ii) Each index point shall be quoted in whole numbers representing the number of days on which the Threshold Amount was equaled or exceeded by measured precipitation at the specified location.

(iii) The Exchange may publish intra-week values of the Weekly Precipitation Day Count Index value for each location. These values, when published, will be available on the Exchange website.

(iv) The Weekly Precipitation Day Count 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 Weekly Precipitation Day Count 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 Weekly Precipitation Day Count Index.

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

(c) Contract Weeks

The Exchange will make available for trading contracts in those weeks published on its website. In general, weeks are expected to start on Saturday and end the following Friday, however certain locations may employ alternative start and end days. The complete list of such weeks 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 Weekly Precipitation Day Count Index. The complete list of such locations may be found on the Exchange website.

(e) Strike Price Intervals

Strike prices shall be one (1) through seven (7) representing the number of days that measured precipitation at the specified location equaled or exceeded the Threshold Amount measured in hundredths of an inch of liquid precipitation (including frozen equivalents melted and measured) for the given location and week, as listed in Table 1.

(f) Trading Days and Trading Hours

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

(ii) The Exchange may provide for trading, including Saturdays, Sundays and holidays, of WPDC Contracts by posting such trading schedules on its website.

(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 WPDC Contract will be published on the Exchange website.

(ii) The Last Trading Day for each WPDC Contract shall be the day after the last calendar day of the week corresponding to each WPDC Contract, if such Last Trading Day falls on a Business Day; in this case trading shall terminate at noon on such day. Otherwise the Last Trading Day shall be the last Business Day of the week corresponding to each WPDC Contract; in this case trading shall terminate at 4:00 PM ET on such day.

(iii) Early Termination of Trading for each WPDC Contract will occur any time the Exchange publishes a Weekly Precipitation Day Count Index value that equals or exceeds the strike level for a given location in a given week. For example, if the Exchange publishes a Weekly Precipitation Day Count Index value of 1 on December 5, 2017 for the KJFK location, then the Exchange will provide for a final settlement of the corresponding WPDC contract with a strike level of "1" and trading in such contract will terminate upon such final settlement.

(h) Price Limits and Minimum Increment

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

(ii) The minimum trading increment of each WPDC 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 WPDC Contract as required by the Clearinghouse.