



**Chicago Climate Futures Exchange, LLC
Carbon Financial Instrument Futures**

Contract Size	1000 metric tons of CCX CO ₂ (representing 10 CCX Carbon Financial Instrument contracts (“CFI”) cash market contracts)
Quotation	US dollars
Minimum Tick Increment	\$0.01 per metric ton = \$10 per contract \$0.10
Symbol	CFI-PD
Trading Hours	7:00 a.m. – 3:00 p.m. Central Time
Contract Listing Cycle	Standard-cycle contract listings: <ul style="list-style-type: none"> a. Six consecutive quarterly contracts on a March, June, September, December cycle; b. Front three serial calendar months; and c. Annual December contracts through 2012
Deliverable Instruments	CCX CFI equal to the contract size. CFI contracts acceptable for delivery are those having a vintage corresponding to the calendar year of the expired contract and allowances having a vintage of any year prior to the calendar year of the expired contract.
First Trading Day	The first trading day of a standard-cycle contract is the first business day following an expiration day of standard-cycle contract.
Last Trading Day	The last day of trading of a contract is the last business day of the expiration month.
Settlement Price Calculation	Settlement prices will be based on the following criteria: <ul style="list-style-type: none"> a. A single traded price during the pre-close. b. If more than one trade occurs during the pre-close, the trade volume weighted average of the prices, rounded to the nearest tick. c. If no trade occurs during the pre-close, the following will be given consideration; <ol style="list-style-type: none"> 1. the volume weighted average of the last two trade prices, rounded to the nearest tick; 2. the mid-point between the best bid and offer in the pre-close rounded to the nearest tick; 3. spread price relationships; and 4. time value between the contract months d. The Exchange reserves the right to take into account other factors in determining settlement prices.
Delivery Process	In order to make or take delivery of Carbon Financial Instrument futures, Clearing Members, Trading Privilege Holders and other market participants must be a member of the Chicago Climate Exchange, Inc. (“CCX”) with CCX Trading Platform eligibility and have an established CCX Registry Account prior to the expiration of any Carbon Financial Instrument futures contract. Delivery is based on open positions after the contract’s expiration. Delivery is a three-day process. <u>Position Day</u> The first business following a Carbon Financial Instrument futures contract’s expiration

	<p>day is the day that Clearing Members must report their long futures positions to the Clearing Service Provider as of the close of the expiration day. Starting on the first Position Day, Clearing Members holding open short positions (hereafter referred to as “seller Clearing Member”) may submit delivery tender notices to the clearing Service Provider on their own behalf or on the behalf of their open short futures position holders, as applicable, in a format acceptable to the Clearing Service Provider. Upon receipt of a delivery tender notice, the Clearing Service Provider will make the appropriate delivery assignment.</p> <p><u>Notice Day</u> On the Business Day after the Position Day, the Clearing Service Provider will make the appropriate delivery assignments. The seller Clearing Member must provide to the buyer Clearing Member(s) a description of the underlying CCX Carbon Financial Instrument contracts to be delivered. The buyer Clearing Member(s) must provide the CCX Registry Account number information to the seller Clearing Member. This information exchange must be completed by 12:00 p.m. (Central time) on Notice Day.</p> <p>The seller Clearing Member must submit all delivery instructions to the Exchange in a form an manner prescribed by the Exchange by 2:00 p.m. (Central time) on Notice Day.</p> <p>The Clearing Service Provider shall issue payment instructions to the respective buyer Clearing Member(s) for the full contract value based upon the expiration Day settlement price in a means and manner prescribed by the Clearing Service Provider.</p> <p><u>Delivery Day</u> The seller Clearing Member must ensure the CCX Carbon Financial Instrument contracts are on deposit in the delivery designated CCX Registry Account by the close of the Chicago Climate Exchange market on the Notice Day.</p> <p>The Chicago Climate Exchange will effect the Carbon Financial Instrument futures delivery transfer instructions at the close of its market on the Delivery Day.</p> <p>The Exchange will confirm to the Clearing Service Provider when all deliveries have been completed.</p> <p>After receipt of the Exchange confirmation of deliveries, the Clearing Service Provider will release the delivery proceeds to the seller Clearing Member.</p>
Price Limits	No daily price limits
Reportable Position Limits	25 contracts, equivalent to 250 CCX CFI contracts
Nearby Expiration Month Speculative Position Limits	4,000 contracts, equivalent to 40,000 CCX CFI contracts

Contract specifications rules may be subject to change. If CCFE determines that changes to the contract specifications rules are warranted, reasonable efforts will be taken to provide appropriate advance notification of the changes.

This document is a summary of the CCFE contract specification rules. See the CCFE rulebook for complete contract specification rules.