

Rule C-21 Futures Contracts on Canadian Crude Oil with Cash Settlement

The sections of this Rule C-21 are applicable only to Futures Contracts on Canadian Crude Oil with Cash Settlement.

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Section C-2101 Definitions

Notwithstanding Section A-102, for the purposes of Futures Contracts on Canadian Crude Oil with Cash Settlement, the following terms are as defined:

“Exchange” - Bourse de Montréal Inc.

“Final Settlement Price” - the price of the Underlying Interest, expressed in U.S. dollars, as determined by the product specifications of the Exchange.

“Futures” - a contract to make settlement in cash on a future date of the difference between the Final Settlement Price and the Trade Price multiplied by the appropriate Multiplier pursuant to standardized terms and conditions set forth in these Rules and the by-laws, rules or policies of the Exchange.

“Multiplier” - the factor used to calculate the size of the contract, as specified by the Exchange, of the Futures Contracts on Canadian Crude Oil with Cash Settlement. The factor is set at 1,000 U.S. barrels.

“Underlying Interest” – means the price of one (1) U.S. Barrel of Canadian crude oil, expressed on a differential price basis, as determined by the Exchange.

“U.S. Barrel” - means 42 U.S. gallons of 231 cubic inches per gallon measured at 60°F.

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Section C-2102 Final Settlement in Cash through the Corporation

Unless otherwise specified by the Corporation, settlement of positions held following the close of trading on the last day of trading in a Series of Futures Contracts shall be made on the first Business Day following the last day of trading. Settlement shall be made by an exchange of cash between the Corporation and each of the Clearing Members holding Long and Short positions. The amount to be paid or received in final settlement of:

- (a) each position opened prior to the last day of trading is the difference between
 - (i) the Final Settlement Price, and
 - (ii) the Settlement Price of the futures contract on the Business Day before the last day of trading,multiplied by the Multiplier of the futures contract; and
- (b) each position opened on the last day of trading is the difference between
 - (i) the Final Settlement Price, and
 - (ii) the Trade Price of the open futures contractmultiplied by the Multiplier of the futures contract.

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Section C-2103 Tender Notices

As there is no provision for physical delivery of cash settlement Futures Contracts, Rule C-5 shall not apply to Futures Contracts on Canadian Crude Oil with Cash Settlement.

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Section C-2104 Unavailability or Inaccuracy of Current Value

- (1) If the Corporation shall determine that the Final Settlement Price for a Futures Contract on Canadian Crude Oil with Cash Settlement is unreported or otherwise unavailable for purposes of calculating the Gains and Losses, then, in addition to any other actions that the Corporation may be entitled to take under its By-laws and Rules, the Corporation may do any or all of the following:
 - (a) Suspend the Settlement of Gains and Losses. At such times as the Corporation determines that the required Final Settlement Price is available, the Corporation shall fix a new date for the Settlement of Gains and Losses.
 - (b) Fix the Final Settlement Price in accordance with the best information available as to the correct Final Settlement Price.
- (2) The Final Settlement Price as reported by the Exchange shall be conclusively deemed to be accurate except that where the Corporation determines in its discretion that there is a material inaccuracy in the reported Final Settlement Price, it may take such action as it determines in its discretion to be fair and appropriate in the circumstances. Without limiting the generality of the foregoing, the Corporation may require an amended Final Settlement Price to be used for settlement purposes.

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Section C-2105 Payment and Receipt of Payment of the Trade Price

The settlement value of maturing contracts will be included with other settlements on the daily Futures Consolidated Activity Report.

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Section C-2106 Force Majeure

If settlement or acceptance or any precondition or requirement is prevented by "Force Majeure" such as but not limited to strike, fire, accident, act of government, act of God or other emergency the affected Clearing Member shall immediately notify the Exchange and the Corporation. If the Exchange and the Corporation decide that a Force Majeure is in progress, by their own means or following the reception of a notice to this effect from a Clearing Member, they shall take all necessary actions in the circumstances and their decision shall be binding upon all parties to Futures Contracts on Canadian Crude Oil with Cash Settlement affected by the Force Majeure. Without limiting the generality of the foregoing, the Corporation may take one or many of the following measures:

- a) modify the Settlement Time;
- b) modify the settlement date;
- c) designate alternate or new settlement points or alternate or new procedures in the event of conditions interfering with the normal operations of approved facilities or settlement process;
- d) fix a Settlement Price.

Neither the Exchange nor the Corporation shall be liable for any failure or delay in the performance of the Corporation's obligations to any Clearing Member if such failure or delay arises out of a Force Majeure.

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Section C-2107 Currency

All trading and settlement of Futures Contracts on Canadian Crude Oil with Cash Settlement takes place in United States funds. All margin requirements will be calculated in United States funds and converted to Canadian funds at a rate of exchange determined from time to time by the Corporation. All clearing fees and margin deposits in relation to Futures Contracts on Canadian Crude Oil with Cash Settlement will be payable in Canadian Funds.

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