IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

CAPITAL MARKETS ALLIANCE ASSOCIATION, *Plaintiff*, v. COMMODITY FUTURES TRADING COMMISSION, MICHAEL S. SELIG, *in his official capacity as Chairman of the Commodity Futures Trading Commission*, *Defendants*.	Civil Action No. 1:26-cv-9608 COMPLAINT FOR PERMANENT INJUNCTION AND DECLARATORY RELIEF

Plaintiff Capital Markets Alliance Association (Alliance) files this suit against Defendants the Commodity Futures Trading Commission (CFTC) and Michael S. Selig, in his official capacity as Chairman of the CFTC.

INTRODUCTION

1. Just hours ago, the CFTC dramatically upended the regulatory framework governing the U.S. securities markets by authorizing certain trading platforms to list financial products linked to U.S. stocks, without satisfying the strict regulatory requirements that Congress enacted to protect investors and markets. These products, known as "perpetual" single-stock derivatives, effectively allow investors to indefinitely speculate on the price movements of individual stocks such as Apple or Microsoft, without owning any shares. By approving these products for trading without a word explaining how its action comports with the statutory framework, the

CFTC has permitted an end-run around Congress's deliberate statutory protections and invited a parallel, synthetic market in U.S. stocks to grow outside the exclusive jurisdiction of the Securities and Exchange Commission (SEC). Absent judicial intervention, single-stock perpetuals will imminently begin trading without congressionally required safeguards, threatening irreparable harm to plaintiff Capital Markets Alliance Association, investors, and the public.

2. A "perpetual" derivative, as its name implies, is essentially an indefinite position on the price movements of an underlying asset. A perpetual derivative can be created on almost any asset, such as bitcoin, oil, gold, or stocks. Perpetual derivatives have recently proliferated on trading platforms outside of the United States.[1] But they can pose significant risk: the trading of cryptocurrency perpetuals, for example, has triggered repeated liquidation events where more than a million investors at a time are wiped out as a result of market volatility.[2]

3. Until today, U.S. regulators, including the CFTC, prohibited trading platforms from offering perpetual derivatives on individual stocks to U.S. retail investors. That is because the CFTC had accurately classified perpetual derivatives as "swaps" under the financial regulatory framework established by Congress, meaning that perpetual derivatives referencing individual stocks are "security-based swaps." Given the central role that swaps played in the 2008 financial crisis, Congress

[1] *See* Elizabeth Dethy and Kevin Lu, *The Perpification of Everything: What Brokers Need to Offer Perps*, Talos (Sep. 10, 2026), https://tinyurl.com/yp4u5pm7; *State of Crypto Perpetuals Report 2026*, CoinGecko (May 21, 2026), https://tinyurl.com/mst747t4.

[2] *Top Crypto Liquidation Events*, coinglass, https://tinyurl.com/2sfyv3rp (last visited Nov. 3, 2026).

imposed significant limits on where and how security-based swaps may be offered and sold, including mandating that they be made available to retail investors only on national securities exchanges subject to the SEC's full regulatory oversight.

4. The CFTC has now abruptly and inexplicably changed positions, approving applications to list perpetual derivatives on single stocks (the Stock Perpetual Approvals) filed by three CFTC-regulated platforms: KalshiEX LLC (Kalshi), Coinbase Derivatives LLC (Coinbase), and Bitnomial Exchange LLC (Bitnomial). In an about-face from its prior position, the CFTC has embraced the applicants' classification of these products as "security futures," rather than security-based swaps. And it did so without any reasoned order explaining its actions: the CFTC simply allowed the 45-day regulatory review period to expire, after which the filings were deemed approved. Trading in single-stock perpetuals may now begin on the CFTC-regulated platforms at any time, without the platforms having to comply with the strict requirements Congress mandated for security-based swaps, and outside of the SEC's exclusive jurisdiction.

5. The CFTC cannot redraw the statutory boundaries that Congress established through mislabeling. Single-stock perpetuals are not security futures. They are security-based swaps: they provide for payments based on the value of a single security, transfer the financial risk of changes in that value, and convey no ownership interest in the security. *See* 7 U.S.C. § 1a(47)(A)(iii); 15 U.S.C. § 78c(a)(68)(A). A security future, by contrast, is a "contract of sale for future delivery of a single security or of a narrow-based security index." 7 U.S.C. § 1a(44); 15 U.S.C. § 78c(a)(55)(A). By

design, perpetual derivatives have no expiration date and impose no future delivery obligation. This is why, prior to this Administration, the CFTC and SEC have always considered these, and similar, products to be security-based swaps.

6. In nonetheless allowing single-stock perpetuals to be made available to retail investors under the erroneous "security futures" label, the CFTC has abdicated its statutory responsibility to enforce the regulatory structure that Congress enacted. For nearly 100 years, Congress and the SEC have fine-tuned the securities laws to ensure adequate oversight and protection. This regime is a key reason why the U.S. stock markets are the gold standard globally, with more than $1 trillion in daily volume traded.

7. Prior to the CFTC's approvals, leading exchanges, associations, and bipartisan members of Congress made clear the risks to the U.S. stock market of allowing single-stock perpetuals to trade on CFTC-regulated platforms outside of Congress's deliberate framework, including that perpetuals trading could influence underlying stock prices, facilitate cross-market manipulation, and invite regulatory arbitrage.[3] The CFTC and SEC have likewise acknowledged important open questions

[3] *See, e.g.*, Letter from Brad Sherman and Joyce Beatty to Paul S. Atkins, Chairman of the SEC (Oct. 30, 2026) (Sherman Letter), https://tinyurl.com/4hktu2vd; Letter of Katie Britt to Paul S. Atkins, Chairman of the SEC (Oct. 29, 2026) (Britt Letter), https://tinyurl.com/u455ctd8; Letter from Mark Warner, et al., to Michael S. Selig, Chairman of the CFTC (Nov. 2, 2026), https://tinyurl.com/yusz2xja; Letter from Americans for Financial Reform Education Fund to CFTC, SR-COIN-2026-002, SR-KalshiEX-2026-02 (Oct. 29, 2026), https://tinyurl.com/48dbvrhu; Letter from Cboe Global Markets, Inc. to CFTC, Requests for Commission Approval of Single-Stock Perpetual Contracts as Security Futures Products Under CFTC Regulation 41.23(b) — Coinbase Derivatives, LLC; KalshiEX LLC; Bitnomial Exchange, LLC; North American Derivatives Exchange Inc., at 2-3 & n.4 (Oct. 30, 2026); Letter from Jeffrey S. Davis, Senior Vice President, Senior Deputy Counsel, Nasdaq, Inc., to Vanessa Countryman, Secretary, SEC, re File No. SR-COIN-2026-002, at 4 (Oct. 14, 2026), https://tinyurl.com/5xazvu5m.

about single-stock perpetual trading, including the effects it could have on "liquidity formation, price discovery, and hedging activity" in the stock market. 91 Fed. Reg. 37,873, 37,876 (June 24, 2026). Yet the CFTC has now pressed ahead, allowing single-stock perpetuals to be offered for trading to U.S. retail investors on CFTC-regulated platforms for the first time, without a word of reasoning as to how that decision is consistent with Congress's statutory definitions or the CFTC's prior position.

8. The Stock Perpetual Approvals are the latest—and most egregious—in a series of unreasoned decisions by the CFTC mislabeling "swaps" as "futures." In May 2026, the CFTC approved an application filed by Kalshi—*one day* after it was filed—that, for the first time, classified a perpetual derivative on bitcoin as a "future" instead of a "swap." The CFTC did not acknowledge, let alone explain, the reversal of its longstanding position, and its approval order largely parroted the language in Kalshi's own filing. The Chicago Mercantile Exchange (CME) promptly challenged that decision in the United States District Court for the District of Columbia, in a case that remains pending. In the following months, the CFTC continued to approve perpetual derivatives on other assets, each time as a "future" instead of a "swap," thus permitting them to trade under an incorrect regulatory regime. Through the Stock Perpetual Approvals, the CFTC has dramatically expanded its unreasoned decision-making, putting investors and our nation's securities markets at risk.

9. The Stock Perpetual Approvals violate the Administrative Procedure Act (APA) several times over. They are arbitrary and capricious because the CFTC has failed to provide any reasoned explanation for its decision and change in position.

It has also entirely failed to confront important aspects of the problem, including significant concerns that commenters raised about single-stock perpetuals trading on CFTC-regulated platforms outside the SEC's exclusive jurisdiction. The CFTC may not avoid the requirements of the APA through silence.

10. The Stock Perpetual Approvals are also contrary to law. Single-stock perpetuals are "security-based swaps" and the CFTC lacks the statutory authority to approve them for trading under the erroneous label of "security future."

11. Plaintiff Capital Markets Alliance Association asks the Court to declare the Stock Perpetual Approvals unlawful, vacate and set them aside, declare that the single-stock perpetuals covered by the challenged filings are security-based swaps, and enjoin Defendants from giving the approvals effect.

JURISDICTION AND VENUE

12. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. § 1331 because this civil action arises under the laws of the United States.

13. Venue is proper in this District under 28 U.S.C. § 1391(e)(1) because the CFTC is an agency of the United States and Chairman Selig is an officer of the United States acting in his official capacity, no real property is involved, and Plaintiff Capital Markets Alliance Association resides in this district.

14. The Stock Perpetual Approvals are final agency action reviewable under 5 U.S.C. § 704. Where, as here, an application to list a new contract for trading is submitted to the CFTC for prior approval, the Commodity Exchange Act (CEA) requires the Commission to "take final action on the request" within the review period.

7 U.S.C. § 7a-2(c)(4)(C). Under the CFTC's regulations, expiration of the regulatory review periods results in approval by the Commission, concluding its review of the identified applications and removing a regulatory barrier to listing the contracts. 17 C.F.R. §§ 40.3(d)(1), 40.5(d)(1). The Commission's rules provide that, absent a notice of non-approval, the products "shall be deemed approved by the Commission" when that period closes. 17 C.F.R. §§ 40.3(d)(1), 40.5(d)(1). That approval is an "order" and a "license" within the meaning of the APA. 5 U.S.C. § 551(6), (8).

15. The Stock Perpetual Approvals are final agency action. The close of the regulatory review period for the September 18, 2026 applications was November 2, 2026, and the applications are now deemed approved under CFTC regulation. 17 C.F.R. §§ 40.3(d)(1), 40.5(d)(1). Chairman Selig issued a statement on November 3, 2026, acknowledging that the applications "were deemed approved by the Commission," and "can begin trading for the first time on CFTC-registered exchanges."[4] That statement is attached as Exhibit 1. The approvals mark the culmination of the agency's decision-making and have legal consequence. *U.S. Army Corps of Eng'rs v. Hawkes Co.*, 578 U.S. 590, 597 (2016). Plaintiff challenges those approvals and has no other adequate remedy in a court. *Id.* at 597, 600; *see also, e.g.*, *Bhd. of Locomotive Eng'rs & Trainmen v. Fed. R.R. Admin.*, 972 F.3d 83, 98–101 (D.C. Cir. 2020).

16. The Court may grant declaratory, injunctive, and other relief pursuant to 28 U.S.C. §§ 2201-2202, 5 U.S.C. §§ 705–706, and the Court's inherent authority to enjoin federal officials from violating the law.

[4] CFTC, *Statement on Equity Perpetual Futures* (Nov. 3, 2026), https://tinyurl.com/5yk3vd9x.

PARTIES

17. Plaintiff Capital Markets Alliance Association is a non-profit trade association with its principal place of business in New York, New York. The Alliance brings together some of the most significant institutions in American finance to advance policies that promote and strengthen our capital markets. Together, its membership spans the regulated ecosystem through which U.S. stocks and stock-linked derivatives are traded, executed, and priced. Its members operate equity and options exchanges, handle and execute retail and institutional customer orders, and make markets by quoting competitive prices on exchanges. The Alliance's membership also includes an associational member whose members include public pension funds, investment advisers, broker-dealers, exchanges, and data firms.

18. Defendant Commodity Futures Trading Commission is an agency of the United States government.

19. Defendant Michael S. Selig is the Chairman of the Commodity Futures Trading Commission and currently its sole Commissioner. He is sued in his official capacity.

BACKGROUND

I. Plaintiff's Standing

20. The Alliance's members face concrete competitive and business injury from the Stock Perpetual Approvals, which misclassify single-stock perpetuals as "security futures" and allow them to trade on CFTC-regulated platforms outside the regulatory framework that Congress established. *See Hunt v. Wash. State Apple Advert. Comm'n*, 432 U.S. 333, 343 (1977) (association has standing where at least one

member would have standing to sue in its own right; the interests the suit seeks to protect are germane to the association's purpose; and neither the claims asserted nor relief requested requires the participation of individual members).

21. The Stock Perpetual Approvals permit CFTC-regulated trading platforms to offer a product that is a direct competitor to stocks and related derivatives (such as listed stock options), providing an alternative way to gain exposure to individual public companies, without having to comply with the full SEC regulatory framework that applies to Alliance members, and outside the statutory protections that Congress mandated. The CFTC's approvals also create new costs and risks for the investors and other market participants represented by the Alliance's associational member.

22. The U.S. equity markets are a key source of our Nation's financial strength. U.S. equity markets traded an average of 19 billion shares each trading day during the first nine months of 2026, with total notional value traded exceeding $197 trillion over that period.[5] At year-end 2025, the U.S. equity market was valued at $68.9 trillion, representing 43.7% of the world's equity capitalization.[6] Market capitalization climbed to $78.7 trillion by September 30, 2026.[7] Retail investors—

[5] SIFMA, *US Equity and Related Statistics* (Oct. 2, 2026), https://tinyurl.com/37h5mn7d; Cboe Exch., Inc., *Historical Market Volume*, https://tinyurl.com/52m7a6ae (last visited Nov. 3, 2026).

[6] SIFMA, *10 Key Findings from SIFMA's 2026 Capital Markets Fact Book* (Aug. 19, 2026), https://tinyurl.com/3wcbp4hn.

[7] SIFMA, *Research Quarterly: Equity and Related* (Oct. 23, 2026), https://tinyurl.com/523t8y2t.

individuals who buy and sell securities for their personal accounts—account for roughly 20% of U.S. equity volume and hold some $12 trillion in self-directed brokerage accounts.[8]

23. Under the CFTC's unlawful approvals, trading platforms can now offer single-stock perpetuals on U.S. stocks such as Apple, Alphabet, and Microsoft, without having to comply with the statutory requirements Congress mandated for security-based swaps and without having to comply with the full suite of regulatory requirements that applies to SEC-regulated national securities exchanges. Recently, Kalshi's chief executive announced that "[s]tock market exposure is the next step towards Kalshi becoming a full-service financial exchange, and perps are the best way for our traders to get this exposure."[9]

24. This altered playing field puts Alliance members at an unfair competitive disadvantage.[10] Alliance members have collectively invested billions of dollars in providing U.S. investors and publicly listed companies with an investing and trading ecosystem that advances the SEC's mission of protecting investors, facilitating capital formation, and maintaining fair, orderly, and efficient markets. Alliance members across every segment of the regulated securities ecosystem must now unfairly

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[8] Investing.com, *Retail Investors Hold Equity Assets Equal to 10% of U.S. Market Cap: Goldman* (May 14, 2026), https://tinyurl.com/3jmct49m (reporting Goldman Sachs estimates). Other market-data providers place the retail share higher in volatile periods. *See, e.g.*, MEMX, *Retail Trading Insights* (Sep. 5, 2025), https://tinyurl.com/2f8sveds.

[9] Reuters, *Kalshi Launches Stock Index Perpetual Future to Expand Product Suite* (Oct. 6, 2026), https://tinyurl.com/4rcj5rz2.

[10] *See, e.g.*, Letter from Patrick Sexton, Executive Vice President, General Counsel, and Corporate Secretary, Cboe Global Markets, Inc., to Vanessa Countryman, Secretary, SEC, re SR-KALSHIEX-2026-002, SR-COIN-2026-002, SR-BTNL-2026-001, SR-OGM-2026-001, at 2 (Oct. 14, 2026).

compete, on an unlawful playing field, for the same customers and trading activity with platforms offering single-stock perpetuals outside the regulatory scheme that Congress established.

25. The Alliance's members include or represent national securities exchanges. Exchange members of the Alliance and of its associational member earn securities-related revenues, including transaction fees each time a stock or related derivative (such as a listed option) trades on their markets, and their market-data and related revenues rise and fall with that activity. The Stock Perpetual Approvals collectively cover dozens of contracts tied to individual stocks that trade on members' equities exchanges, and on which members' options exchanges list actively traded options. Alliance members welcome competition on lawful terms. But by allowing CFTC-regulated platforms to offer synthetic stock exposure under the erroneous label of "security futures"—when the perpetuals are in reality security-based swaps—the Stock Perpetual Approvals create an unequal playing field and threaten to divert trading that would otherwise occur on national securities exchanges subject to the SEC's full regulatory oversight, resulting in lost transactions and related revenue for exchange members of the Alliance and of its associational member.

26. The Alliance's members also include or represent broker-dealers that have significant securities-related revenues at stake. Millions of U.S. retail investors actively trade individual stocks and listed stock options through SEC-regulated broker-dealers, including members of the Alliance and of its associational member. The Stock Perpetual Approvals threaten to divert customers and trading activity from

broker-dealers to CFTC-regulated platforms that can offer customers stock exposure free of the statutory safeguards that Congress intended for the products. As customers and trading activity are diverted, broker-dealers including members of the Alliance and of its associational member lose not only the revenue associated with the displaced securities transaction, but also potentially the customer relationship.

27. Similarly, the Alliance's market makers supply the quotes and liquidity that make the markets function for stocks and related instruments and earn revenue from that trading activity. Each single-stock perpetual executed on a CFTC-regulated platform that otherwise could have been executed through a trading venue regulated under the SEC's full framework results in less trading activity and liquidity for market makers, negatively impacting trading revenue.[11]

28. Competitive injury is a well-established Article III injury. *See Old Town Trolley Tours of Wash., Inc. v. Wash. Metro. Area Transit Comm'n*, 129 F.3d 201, 202 (D.C. Cir. 1997) ("Competitive injury is a common and acceptable basis for establishing standing to challenge agency licensing decisions."); *see Ass'n of Data Processing Serv. Orgs., Inc. v. Camp*, 397 U.S. 150, 152 (1970). A party suffers injury in fact when an agency lifts regulatory restrictions on its competitors or otherwise allows increased competition against it, *Sherley v. Sebelius*, 610 F.3d 69, 72 (D.C. Cir. 2010),

[11] *See, e.g.*, Letter from Patrick Sexton, *supra* n.10, at 3 & n.6; Letter from Jeffrey S. Davis, Senior Vice President, Senior Deputy Counsel, Nasdaq, Inc., to Vanessa Countryman, Secretary, SEC, re File No. SR-COIN-2026-002, at 4 (Oct. 14, 2026) (warning that listing these products as security futures invites "regulatory arbitrage across economically similar instruments").

and "there is no need to wait for injury from specific transactions to claim standing," *El Paso Nat. Gas Co. v. FERC*, 50 F.3d 23, 27 (D.C. Cir. 1995).

29. The Second Circuit applies the same principle where the plaintiff "personally competes in the same arena with the party to whom the government has bestowed the assertedly illegal benefit." *In re U.S. Catholic Conference*, 885 F.2d 1020, 1029 (2d Cir. 1989); *see Schulz v. Williams*, 44 F.3d 48, 53 (2d Cir. 1994) (competitive injury from rivals permitted to avoid legal requirements the plaintiff must satisfy); *Fulani v. League of Women Voters Educ. Fund*, 882 F.2d 621, 626 (2d Cir. 1989).

30. The CFTC does not dispute that the Stock Perpetual Approvals create competition for venues and firms that are playing by the rules Congress established—indeed, it has embraced that result.[12]

31. The injury is actual and imminent. Coinbase and Kalshi have each stated that they intend to list their contracts "shortly following" CFTC approval.[13] These platforms have millions of monthly active users.[14] Kalshi has already provided a "waitlist," advertising that single-stock perpetuals are coming soon.[15]

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[12] Crypto Briefing, *CFTC Chair Michael Selig Defends Approval of Perps Trading in US* (June 2026), https://tinyurl.com/y4r9t8w7; Khyathi Dalal, *Own No Bitcoin? No Problem, BTC Perps Are Just Getting Started, CFTC Chair Selig Says*, Benzinga (June 2026), https://tinyurl.com/5jkdz27m.

[13] Kalshi Submission at 1, https://www.cftc.gov/filings/ptc/ptc09182627458.pdf; Coinbase Submission 1, https://www.cftc.gov/filings/ptc/ptc09182627449.pdf.

[14] Mary Cunningham, *Prediction markets offer the lure of fast money. Young men say they like their odds*, CBSNews (June 8, 2026), https://tinyurl.com/5crxrp26 (noting Kalshi's roughly 4 million active users); David Curry, *Coinbase Revenue and Usage Statistics*, Business of Apps (Sep. 17, 2026) (noting over 9 million active Coinbase users), https://tinyurl.com/4uz2z2wb.

[15] Kalshi, *Coming Soon: Stocks on Perpetuals* (Oct. 29, 2026), https://tinyurl.com/y5awe2b9; *see also* Alex Krohn, Risk.net, Kalshi Preps for 'Imminent' Launch of Single-Stock Perps (Nov. 2, 2026), https://tinyurl.com/2pft2dc4.

32. Bringing the products onto platforms with millions of U.S. retail customers threatens an immediate diversion of trading. Since the beginning of the year, monthly trading volumes in stock perpetuals by offshore cryptocurrency platforms have increased more than 50-fold, to nearly $700 billion in August 2026.[16] Indeed, offshore trading in perpetuals referencing traditional assets like stocks now rivals perpetuals on bitcoin and other cryptocurrency instruments.[17] With a $1.1 trillion daily market, a diversion of even just one percent of U.S. equity trading volume onshore would move $11 billion in trading each day out of the SEC-regulated securities ecosystem.

33. The injury is traceable to the Stock Perpetual Approvals and would be redressed by the relief requested. The Stock Perpetual Approvals green-light the platforms to list these perpetual derivatives for trading as security futures, circumventing the SEC's exclusive jurisdiction over securities and security-based swaps and Congress's clear restrictions on the offering of security-based swaps to retail investors. Vacating the Stock Perpetual Approvals and enjoining Defendants from giving them effect would prevent that listing and restore the regulatory regime that Congress enacted. Since the challenged contracts are security-based swaps, they cannot be sold to retail investors on these platforms. 15 U.S.C. §§ 77e(e), 78f(l).

34. The interests this lawsuit seeks to protect are germane to the Alliance's purpose of advancing policies that strengthen our nation's capital markets and

[16] Kamina Bashir, et al., *3 Stocks Drive Half of August's $665 Billion CEX Perpetual Futures Volume*, BeInCrypto (Sep. 2, 2026), https://tinyurl.com/4c263tvc.

[17] Anushka Basu, *Wall Street Assets Take Nearly a Quarter of Crypto Perpetual Trading: Glassnode Report*, Yahoo! Finance (Oct. 24, 2026), https://tinyurl.com/5n7294kn.

preserving the conditions that make American capital markets the destination of choice for businesses and investors around the world. The Alliance's mission also includes advocating in court when necessary to protect its members' interests and ensure that regulation respects statutory limits and rests on sound analysis. The Alliance supports competition among markets and market participants, which can improve execution, lower costs, and expand choice for investors. The Stock Perpetual Approvals, however, circumvent Congress's regulatory framework and invite competition on unequal terms, harming Alliance members and threatening the integrity of the U.S. equity markets. The Alliance submitted a comment letter to the CFTC urging it to intervene and reject the applicants' classification of these products as security futures, explaining that single-stock perpetuals are security-based swaps, not security futures, and explaining the risks to our nation's capital markets if single-stock perpetuals are approved for trading as security futures.[18]

35. This APA challenge does not require the participation of individual Alliance members; the Alliance seeks vacatur of the CFTC's unlawful approvals and other equitable relief, not damages that may require individualized proof. *See Bldg. & Const. Trades Council of Buffalo v. Downtown Dev., Inc.*, 448 F.3d 138, 150 (2d Cir. 2006).

[18] Letter from Capital Markets Alliance to CFTC, File No. SR-KALSHIEX-2026-02; File No. SR-COIN-2026-002; File No. SR-BTNL-2026-001; File No. SR-OGM-2026-001; and Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance (Nov. 2, 2026) https://tinyurl.com/5yyr3ef8.

II. The Two Regulatory Regimes Congress Established

36. "Since the 1930s, securities and futures have been subject to separate regulatory regimes" established by Congress that reflect differences in the respective products, participants, and markets.[19] The correct classification of a financial product is not a matter of mere semantics.[20] It determines the allocation of regulatory authority prescribed by Congress—the SEC or the CFTC—and the associated regulatory requirements and investor safeguards.

A. The SEC Regulates the Securities Markets.

37. Congress enacted the federal securities laws, including the Securities Act of 1933, Pub. L. No. 73-22, 48 Stat. 74, and the Securities Exchange Act of 1934, Pub. L. No. 73-291, 48 Stat. 881, in response to the stock market crash of 1929 and the Great Depression that followed. The crash made starkly clear the consequences of inadequate oversight and regulation of the securities markets. Investors had bought stocks with borrowed money on margins as low as 10%, and when prices fell, forced selling spiraled.

38. Among its reforms, Congress responded by giving the Board of Governors of the Federal Reserve System—not the exchanges, and not even the SEC—the power to limit the credit that may be extended to buy securities. 15 U.S.C. § 78g. Under the Board's Regulation T, an investor may borrow no more than 50% of a

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[19] SEC & CFTC, *A Joint Report of the SEC and the CFTC on Harmonization of Regulation* 1 (Oct. 16, 2009), https://tinyurl.com/34e3u89m.

[20] Antonin Scalia, Address Before the Attorney General's Conference on Economic Liberties in Washington, D.C. (June 14, 1986), in Office of Legal Policy, U.S. Department of Justice, Original Meaning Jurisprudence: A Sourcebook 101, 106 (1987) ("terminology is destiny").

stock's purchase price. 12 C.F.R. § 220.12(a). That limit protects individual investors from "becoming overly leveraged," reducing the extent to which their losses can exceed their investments.[21] It also promotes market stability by limiting "excessive speculative credit in securities transactions" and the buildup of leveraged positions that could amplify a market downturn.[22]

39. Congress also enacted a comprehensive regulatory framework to address excessive speculation, market manipulation, insider trading, and other abuses that were seen as contributing to the crisis. *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 194-95 (1976). The Exchange Act created the SEC and tasked it with administering and enforcing the securities laws. Congress has refined this framework for nearly a century and further strengthened the SEC's powers, finding that "[t]he securities markets are an important national asset which must be preserved and strengthened." 15 U.S.C. § 78k-1(a)(1); *see also, e.g.*, *United States v. O'Hagan*, 521 U.S. 642, 658-59 (1997) (emphasizing Congress's statutory purpose of ensuring "honest securities markets" to "promote investor confidence").

40. To these ends, the federal securities laws require issuers of securities to make specified disclosures, *see, e.g.*, 15 U.S.C. §§ 77e, 77j, 78m; prohibit insider trading and fraudulent and manipulative practices in the purchase and sale of securities, *id.* §§ 78i, 78j, 78u-1; establish a national market system that links trading venues

[21] U.S. Gen. Acct. Off., GAO/GGD-00-89, *CFTC and SEC: Issues Related to the Shad-Johnson Jurisdictional Accord* 21 (Apr. 2000).

[22] Federal Reserve Regulatory Service, *Board Rulings and Staff Opinions Interpreting Regulation T: Maintenance Margin Requirements*, 5-650.12, https://tinyurl.com/3rcbw7vt (last visited Nov. 3, 2026).

nationwide, *id.* § 78k-1; and require key market participants to register with the SEC and comply with a full suite of investor-protection and market-integrity requirements.

41. For a retail investor, those protections are concrete. A trading firm that handles retail customer orders as part of its business generally must register with the SEC as a broker-dealer and become a member of the Financial Industry Regulatory Authority (FINRA), a self-regulatory organization that conducts examinations and enforces its rules and the securities laws against its members in the first instance. 15 U.S.C. § 78o(a), (b)(8). Among other requirements, the broker-dealer must use reasonable diligence to obtain best execution for a customer's order, so that the resulting price to the customer is as favorable as possible, FINRA Rule 5310; publicly disclose where it routes orders and what is paid for them, 17 C.F.R. § 242.606; keep customer cash and securities segregated and protected, 17 C.F.R. § 240.15c3-3; and extend credit only within the Federal Reserve's margin limits, 12 C.F.R. pt. 220; *see also, e.g.*, 15 U.S.C. § 78fff-3 (specifying certain protections if a broker-dealer fails).

42. The SEC oversees FINRA and the national securities exchanges. 15 U.S.C. §§ 78f, 78o-3, 78s. A national securities exchange may operate only after the SEC finds that it is organized and has the capacity to carry out the purposes of the Exchange Act and enforce compliance with its rules. 15 U.S.C. § 78f(b)(1). Its rules must be designed to prevent fraud and manipulation, "to protect investors and the public interest," and not "to permit unfair discrimination between customers, issuers, brokers, or dealers." *Id.* § 78f(b)(5). Its rules must provide for the equitable allocation

of reasonable dues, fees, and other charges among its members, issuers, and other persons using its facilities, *id.* § 78f(b)(4), and its rules may not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act, *id.* § 78f(b)(8). An exchange's rule changes, including changes needed to list new products, must be filed with the SEC, published for public comment, and are subject to SEC review before taking effect. 15 U.S.C. § 78s(b).

43. Transactions in National Market System (NMS) stocks are reported under SEC-approved transaction-reporting plans and published. 17 C.F.R. §§ 242.601, 242.603. And order and trading activity in NMS stocks and listed options across markets is captured in the Consolidated Audit Trail, enabling regulators to conduct cross-market surveillance. *Id.* § 242.613.

44. Congress has also recognized the importance of the SEC having regulatory jurisdiction over derivatives linked to securities. H.R. Rep. No. 97-626, at 2 (1982). From its creation, the SEC has regulated "the trading of options on securities," and Congress made that regulatory authority explicit in 1982, emphasizing the SEC's "historic mandate to foster the integrity of the markets" and "protect investors." *Id.*; *see* Pub. L. No. 97-303, 96 Stat. 1409 (1982). As discussed further below, Congress has continued to protect the SEC's oversight and supervision of securities-linked derivatives, including by giving the SEC exclusive jurisdiction over security-based swaps.

B. The CFTC Regulates Futures Trading.

45. Congress established the CFTC in 1974 and tasked it with administering the Commodity Exchange Act, ch. 545, 49 Stat. 1491, which regulates the trading of commodity futures.

46. Congress specified that the CFTC "shall be composed of five Commissioners" appointed by the President with the advice and consent of the Senate, one of whom serves as Chairman. 7 U.S.C. § 2(a)(2).

47. A futures contract is a standardized agreement to buy or sell a commodity on a fixed date in the future at a price agreed today. *Leist v. Simplot*, 638 F.2d 283, 286 (2d Cir. 1980); *see Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran*, 456 U.S. 353, 357–58 (1982).

48. The CFTC's Glossary accordingly defines a "Futures Contract" as "[a]n agreement to purchase or sell a commodity for delivery in the future: (1) at a price that is determined at initiation of the contract; (2) that obligates each party to the contract to fulfill the contract at the specified price; (3) that is used to assume or shift price risk; and (4) that may be satisfied by delivery or offset."[23]

49. The delivery or final-settlement date serves a critical function for futures contracts and is an integral contract term. Before expiration, a future may trade at a premium or discount to the spot price, reflecting financing, storage, dividends, expected supply, and other factors. Because of the possibility of arbitrage, the futures price converges toward the spot price of the asset as expiration approaches, as the

[23] CFTC, *Futures Glossary*, Futures Contract, https://tinyurl.com/8yeaxnnt (last visited Nov. 2, 2026).

market participants respond to the delivery or final settlement requirement. As expiration approaches, traders must confront their position and either liquidate it prior to expiration, hold it until expiration and delivery of the good or its cash equivalent, or, if a trader wants continued exposure, roll the position over by closing out the expiring position and entering a new contract.

50. Courts have long recognized that the delivery or final-settlement obligation on "a fixed date in the future" is a "basic feature[]" of a futures contract. *Leist*, 638 F.2d at 286; *see Curran*, 456 U.S. at 357–58; *see also, e.g.*, *In re Amaranth Nat. Gas Commodities Litig.*, 730 F.3d 170, 173-74 (2d Cir. 2013) (describing "basic features of commodity futures trading," including an agreement to buy or sell an asset for delivery "at a date in the future" (quoting *Strobl v. N.Y. Mercantile Exch.*, 768 F.2d 22, 24 (2d Cir. 1985))).

51. Futures markets developed principally to facilitate commercial hedging and professional risk transfer. "Most participants in the futures markets are commercial or institutional commodities producers or consumers."[24] For example, the farmer who locks in a price for a harvest months away, the airline that fixes the cost of next year's jet fuel, or the bank that hedges its interest-rate exposure. The contract lets those users shift the risk of a future price to someone willing to bear it. *See Curran*, 456 U.S. at 357–58.

[24] CFTC, *Basics of Futures Trading*, https://tinyurl.com/3m5znhuf (last visited Nov. 2, 2026); *see also, e.g.*, ICE Futures U.S., https://tinyurl.com/mrxswznd (last visited Nov. 2, 2026) ("Most participants in the futures markets are commercial or institutional commodities producers or consumers.").

52. The CFTC generally has exclusive jurisdiction over "contracts of sale of a commodity for future delivery." 7 U.S.C. § 2(a)(1)(A). Although the definition of "commodity" originally included only agricultural commodities, it now extends to a broad range of goods and articles "in which contracts for future delivery" are dealt. *Leist*, 638 F.2d at 295; *see Curran*, 456 U.S. at 365 & n.29; 7 U.S.C. § 1a(9). The CEA generally requires futures contracts to be traded on or subject to the rules of designated contract markets (DCMs) overseen by the CFTC. 7 U.S.C. § 6(a).

53. The CEA's regulatory scheme relies heavily on statutory "core principles" and futures market and clearinghouse rules administered by the CFTC. 7 U.S.C. §§ 7(d), 7a-1(c). Unlike Regulation T's fixed 50% initial-margin requirement for stock purchases, futures margin is generally set by futures markets and clearing organizations under the CFTC. Futures markets also do not operate through the securities laws' national market system and have no consolidated tape, consolidated audit trail, or public order-routing disclosure regime comparable to the Exchange Act framework, resulting in less comprehensive market surveillance.

54. The CEA and the CFTC's implementing regulations generally provide two paths for DCMs to list a new contract for trading. First, a DCM may elect to self-certify to the CFTC that the contract complies with the CEA and the Commission's regulations. 7 U.S.C. § 7a-2(c)(1); 17 C.F.R. § 40.2(a)(3)(iv). Second, a DCM may request CFTC approval. 7 U.S.C. § 7a-2(c)(4)(A). The CFTC "shall approve" a new contract unless the Commission finds it would violate the CEA or regulations. *Id.* § 7a-2(c)(5)(B); *see* 17 C.F.R. § 40.3(b). CFTC regulations generally provide a 45-day review

period and specify that the application "shall be deemed approved" at the conclusion of that review period absent a notice of non-approval or extension of the review period. 17 C.F.R. §§ 40.3(c)–(d), 40.5(c)–(d). For perpetual derivatives such as those at issue here, the CFTC instructed DCMs to use the pre-approval process. *See* 91 Fed. Reg. 33,160, 33,161 (June 3, 2026).

55. The CFTC has proposed, but not yet adopted, rules to address affiliated structures, including structures that allow platforms to use affiliates to trade against their own customers, recognizing that such structures present conflicts of interest. *Conflicts and Affiliations*, 91 Fed. Reg. 50,926, 50,950-54 (Aug. 6, 2026) (proposing rules).

56. Congress has been clear that the CFTC's jurisdiction does not "supersede or limit the jurisdiction at any time conferred on the Securities and Exchange Commission." 7 U.S.C. § 2(a)(1)(A).

57. Congress also provided for the SEC to have a role in the oversight of any futures contract involving a security, recognizing the connection with the securities markets.

58. Congress narrowly defined a "security future" as "a contract of sale for future delivery of a single security or of a narrow-based security index, including any interest therein or based on the value thereof." 7 U.S.C. § 1a(44); 15 U.S.C. § 78c(a)(55)(A). Security futures are subject to statutory and regulatory requirements specific to security futures that presuppose the existence of a future delivery or final settlement date. The regulations address, for example, how the final settlement price

of a cash-settled security futures product must be determined, 17 C.F.R. § 41.25(c), and require DCMs to have rules in place establishing position limits or accountability procedures tied to the expiring contract month, *id.* § 41.25(b)(3); *see* 17 C.F.R. § 240.6h-1; *see also, e.g.*, 15 U.S.C. § 78f(h)(3); 7 U.S.C. § 2(a)(1)(D)(i). Margin rules for security futures generally set the minimum initial and maintenance margin at 15% of an unhedged position's current market value. 17 C.F.R. §§ 41.45(b), 242.403(b).

59. Under the security futures framework, eligible DCMs that seek to trade security futures are required only to notice-register with the SEC under Section 6(g). 15 U.S.C. § 78f(g)(1). A notice-registered DCM is exempt from many requirements that apply to a registered national securities exchange, such as provisions of the Section 19(b) framework and associated SEC rule-approval provisions described above. *Id.* § 78f(g)(4) (specifying exemptions); 15 U.S.C. § 78s(b)(1)-(2). As discussed above, the SEC rule-approval framework generally provides opportunities for regulatory scrutiny, public comment, and evaluation of investor protection concerns before exchange rule changes are implemented. 15 U.S.C. § 78s(b)(1)-(2).

60. A notice-registered DCM may list a new security futures product by filing with the CFTC. Notice-registered DCMs may therefore generally list new security futures products by following the CFTC pre-approval process or by self-certifying. 7 U.S.C. §§ 2(a)(1)(D), 7a-2(c); 17 C.F.R. § 41.23; *see* 17 C.F.R. §§ 40.5, 41.22, 41.25. The DCM must also file the associated rule change with the SEC. 15 U.S.C. § 78f(g)(4)(B); *id.* § 78s(b)(7)(C). After consultation with the CFTC, the SEC has a limited window

to abrogate the proposed change and require resubmission under different SEC rule-filing procedures, but no formal SEC approval is required. 15 U.S.C. § 78s(b)(7)(C); *id.* § 78s(b)(1).

C. After the 2008 Financial Crisis, Congress Gave the SEC Exclusive Jurisdiction Over Security-Based Swaps and Strictly Limited Their Sale to Retail Investors.

61. Trading in over-the-counter swaps developed in the 1980s. *See Bloomberg L.P. v. CFTC*, 949 F. Supp. 2d 91, 97-98 (D.D.C. 2013). Over the next three decades, swaps largely remained outside the oversight of both the CFTC and SEC. *See* S. Rep. No. 111-176, at 29–32 (2010).

62. Contrary to futures and traditional options, which contemplate delivery of or performance related to a commodity at some future time, "swaps are 'pure financial instrument[s],'" *United States v. Phillips*, 155 F.4th 102, 112 (2d Cir. 2025) (quotation marks omitted), in which the parties "agree to exchange or 'swap' payments with each other" based on an underlying reference, such as "changes in a stock price, interest rate or commodity price," *Sec. Ind. & Fin. Markets Ass'n v. CFTC*, 67 F. Supp. 3d 373, 385 (D.D.C. 2014) (quotation marks omitted).

63. Ultimately, "[t]rading in swaps exploded in the early 2000s," and the absence of federal regulation of these instruments was "a contributing cause" of the 2008 financial crisis, the worst financial crisis since the Great Depression. *Phillips*, 155 F.4th at 113; *see* S. Rep. No. 111-176, at 29–32 (2010). From its October 2007 peak to its March 2009 trough, the S&P 500 Index fell 57 percent.[25] By the Financial

[25] Robert Rich, *The Great Recession*, Fed. Rsrv. Hist. (Nov. 22, 2013), https://tinyurl.com/4uypprxk.

Crisis Inquiry Commission's estimate, nearly $11 trillion in household wealth vanished.[26] Derivatives had allowed institutions and investors to take enormous positions, on little capital, in instruments no regulator could see. The market in these derivatives spiraled.[27] Federal officials warned Congress that while "individual transactions" in swaps "may seem insignificant, in aggregate, they can affect the health of the entire system." S. Rep. No. 111-176, at 31.

64. A key lesson of the crisis was the importance of the SEC having sufficient oversight over swaps linked to securities because those products present risks to the securities markets. As then-SEC Chairman Mary L. Schapiro testified before Congress in 2009, "[b]ecause market participants can readily use securities-related OTC derivatives to serve as synthetic substitutes for securities, the markets for these OTC derivatives directly and powerfully implicate the policy objectives for capital markets that Congress has set forth in the federal securities laws."[28]

65. Along the same lines, Henry T. C. Hu, then-Director of the SEC's Division of Risk, Strategy, and Financial Innovation, explained that swaps can "allow market participants to enjoy the benefits of owning the shares of a company without having to purchase any shares," and "OTC derivatives markets directly affect the

[26] Fin. Crisis Inquiry Comm'n, *The Financial Crisis Inquiry Report* xv (2011).

[27] *Id.*

[28] Mary L. Schapiro, Chairman, SEC, Testimony Concerning Regulation of Over-the-Counter Derivatives Before the Subcomm. on Sec., Ins., & Inv. of the S. Comm. on Banking, Hous., & Urban Affairs (June 22, 2009) ("Schapiro Testimony"), https://tinyurl.com/5n8ktth7.

regulated securities and futures markets by serving as a less regulated alternative for engaging in economically equivalent activity."[29]

66. Congress responded in 2010 by enacting the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Under Title VII of that Act, Congress brought the over-the-counter swap market under federal regulation to "promote the financial stability of the United States by improving accountability and transparency in the financial system." *Phillips*, 155 F.4th at 113 (quoting Pub. L. No. 111-203, 124 Stat. 1376 (2010)).

67. Congress divided oversight of these newly regulated instruments according to what they reference. For swaps referencing individual stocks or narrow-based indices—"security-based swaps"—it gave exclusive jurisdiction to the SEC. It assigned oversight of swaps based on commodities and broad-based indices to the CFTC. *See* Dodd-Frank Act §§ 712(a), 721(a)(21), 761(a), 124 Stat. 1641–43, 1666, 1756; *see also* H.R. Rep. No. 111-517, at 868 (2010) (Conf. Rep.) (explaining that the CFTC and SEC "are authorized to write rules for the swaps and security-based swaps markets, respectively"). That ensured that swaps referencing stocks would be joined with the SEC's existing oversight of issuers, intermediaries, and the stock markets. *See* 15 U.S.C. §§ 78c-1(b), 78i(j), 78o-10.[30]

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[29] Henry T. C. Hu, Director, Division of Risk, Strategy, and Financial Innovation, SEC, Testimony Concerning the Over-the-Counter Derivatives Markets Act of 2009 Before the H. Comm. on Fin. Servs. (Oct. 7, 2009), https://tinyurl.com/4rxmess6.

[30] Congress has also separately defined a class of products known as "security-based swap agreements," which are subject to the SEC's antifraud and antimanipulation authority. *See* 15 U.S.C. §§ 78c(a)(78), 78c-1(b), 78j(b), 78t(d).

68. Congress defined a "swap" broadly to include "any agreement, contract, or transaction" that provides for the exchange of payments "based on the value" of a financial interest, "and that transfers, as between the parties to the transaction . . . the financial risk associated with a future change in any such value" but does not "convey[] a current or future direct or indirect ownership interest" in the asset. 7 U.S.C. § 1a(47)(A)(iii). The definition excludes certain enumerated products, including any "security futures product." *Id.* § 1a(47)(B)(i).

69. Congress defined a "security-based swap" to include any "swap" that is "based on" a "single security or loan, including any interest therein or on the value thereof." 15 U.S.C. § 78c(a)(68)(A).

70. Congress enacted a comprehensive scheme governing security-based swaps. Importantly, in light of the devastation inflicted by the financial crisis and the inherent risks of these derivatives, Congress placed strict restrictions on the sale of security-based swaps to retail investors—in statutory terms, to any person who is not an "eligible contract participant." *See* 7 U.S.C. § 1a(18). It is unlawful to effectuate a transaction in a security-based swap with or for such a person unless the transaction occurs on a national securities exchange that is registered with the SEC and subject to its full regulatory authority and the Exchange Act's investor protections. 15 U.S.C. § 78f(l). A registration statement under the Securities Act disclosing the risks of the instrument must also be in effect. 15 U.S.C. § 77e(e); *see id.* § 77j(a).

71. In enforcing violations of these retail-trading requirements, the SEC has stressed their importance in protecting investors and markets, "including ensuring

such investors receive prescribed disclosure about security-based swaps and that trading of security-based swaps occurs on exchanges subject to the highest level of regulation." *In re XBT Corp. SARL d/b/a First Global Credit*, Securities Act Release No. 10723, at 2 (Oct. 31, 2019). Those requirements "benefit investors by providing public price discovery mechanisms, access to relevant trading information, appropriate monitoring of trading activity and regulated counterparty credit risk management." *Id.*

72. In addition to the strict retail-trading requirements, Congress mandated the reporting of security-based swap transactions; enacted rules and requirements governing "security-based swap dealers" and "major security-based swap participants"; and prohibited fraud and manipulation in security-based swap transactions, among other protections. *See, e.g.*, 15 U.S.C. §§ 78m(m)-(n); id. §§ 78o-10, 78c(a)(67), (71); *id.* §§ 78c-3(a), (g), 78c-4; *id.* § 78i(j).

73. The SEC has promulgated extensive regulations to implement these statutory provisions, including rules addressing anti-fraud and antimanipulation, 88 Fed. Reg. 42,546 (June 30, 2023); registration of security-based swap dealers and major security-based swap participants, 80 Fed. Reg. 48,964 (Aug. 14, 2015); capital, margin, and segregation requirements, 84 Fed. Reg. 43,872 (Aug. 22, 2019); and business conduct standards, recordkeeping, and reporting requirements, 81 Fed. Reg. 29,960 (May 13, 2016); 84 Fed. Reg. 68,550 (Dec. 16, 2019).

74. Congress also did not leave the principal boundary between "swap" and "security-based swap" to either agency alone. It directed the two Commissions, "in

consultation with the Board of Governors," to "further define" those terms, 15 U.S.C. § 8302(d)(1), and to "treat functionally or economically similar products or entities . . . in a similar manner," *id.* § 8302(a)(7); *see also id.* § 8306(a)(2), (b) (specifying procedures for one Commission to ask the other to determine regulatory status of novel derivative products). Consistent with this framework, the two Commissions in 2012 adopted rules and interpretations further defining "swap" and "security-based swap," among other terms. *Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping*, 77 Fed. Reg. 48,208 (Aug. 13, 2012) ("Product Definitions Release").

III. Perpetual Derivatives and Their Classification as Swaps Prior to This Administration

A. How Perpetual Derivatives Work and Why They Are Sold

75. The concept of a perpetual derivative was proposed in an academic paper in 1993.[31] During the last decade, perpetual derivatives have been widely adopted by offshore cryptocurrency venues, which have often offered them to retail customers.[32] Perpetuals have become, in the CFTC's words, "a dominant form of crypto derivative trading in global markets," with most trading occurring offshore. Policy Statement Concerning the Listing of Perpetual Contracts, 91 Fed. Reg. 33,160, 33,161 (June 3, 2026) (Policy Statement).

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[31] Robert J. Shiller, *Measuring Asset Values for Cash Settlement in Derivative Markets: Hedonic Repeated Measures Indices and Perpetual Futures*, 48 J. Fin. 911, 911–31 (1993).

[32] *See, e.g.*, Kalshi, *What Are Perpetual Futures? A Beginner's Guide,* https://tinyurl.com/23zh3kzh (last visited Nov. 3, 2026); Compl. ¶¶ 1–4, 60–64, *CFTC v. Zhao,* No. 1:23-cv-01887 (N.D. Ill. Mar. 27, 2023), ECF No. 1; Compl. ¶ 125, CFTC v. HDR Global Trading Ltd., No. 20-cv-08132 (S.D.N.Y. Oct. 1, 2020), ECF No. 1.

76. A perpetual derivative, or "perp," has two defining features: (1) it has no fixed expiration, and (2) it is designed to track the current price of the referenced asset.[33]

77. First, a perpetual derivative has no scheduled delivery or final-settlement date. That feature is reflected in its name: perpetual. It is designed never to settle. The customer makes or receives cash as the price moves, never owns the asset, never has a right to receive it, and can hold the position indefinitely.[34]

78. Second, a perpetual is designed to track the price of the underlying asset. This is achieved through funding payments exchanged at intervals specified by the contract. With respect to the single-stock perpetuals at issue here, for example, Coinbase's perpetuals provide for hourly exchanges, Bitnomial's every eight hours, and Kalshi's are daily.[35] When the perpetual trades above the referenced spot price, holders of long positions pay holders of short positions; when it trades below, the shorts pay the longs. Those payments create an economic incentive to narrow the difference between the perpetual's price and the reference price without a scheduled settlement date.

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[33] *Policy Statement Concerning the Listing of Perpetual Contracts*, 91 Fed. Reg. 33,160, 33,160–61 (June 3, 2026).

[34] *See* Kalshi, *What Are Perpetual Futures?*, *supra* n.32 (a position "can stay open for as long as there is enough collateral behind it"). Some proposed contracts provide for final cash settlement upon specified contingent events, but none has a scheduled expiration or final settlement in the ordinary course.

[35] *Id.* (funding charged "every eight hours for crypto and once a day for precious metals"); Coinbase Derivatives Submission No. 2026-62 (Sep. 18, 2026) (Coinbase Submission), https://tinyurl.com/mtmhmdch, App. A (hourly funding calculations); *see also* CFTC, Order Approving KalshiEX LLC BTCPERP Futures Contract (May 29, 2026) (Kalshi Order) 6–7 (describing the funding mechanism).

79. These features distinguish perpetuals from futures contracts. As discussed above, a basic feature of a futures contract is a delivery or final-settlement date. Futures contracts are also not designed to precisely track the current price of the underlying asset. During the life of a futures contract, the contract may trade at a premium or discount to spot and converge toward the spot price only as the delivery or final-settlement period approaches. *See* 91 Fed. Reg. at 33,160.[36]

B. The CFTC Has Consistently Classified Perpetual Derivatives As Swaps.

80. For years, across administrations of both parties, the CFTC treated perpetual contracts as swaps. When platforms attempted to offer perpetual derivatives to U.S. retail investors, the CFTC enforced the regulatory framework that Congress designed and treated digital-asset perpetuals with no fixed expiration or delivery as "swaps," not "futures."

81. In 2020, for example, the CFTC sued the operators of BitMEX, then the world's largest perpetuals venue, alleging that its perpetual contracts "are swaps as defined by 7 U.S.C. § 1a(47)."[37] The CFTC obtained a consent order against BitMEX on that theory in August 2021.[38]

82. The CFTC has brought enforcement action after enforcement action on the same premise, in each case alleging or obtaining findings in administrative and

[36] *See also* John C. Hull, *Options, Futures, and Other Derivatives* § 2.3 (11th ed. 2022).

[37] Compl. ¶ 125, *CFTC v. HDR Global Trading Ltd.*, No. 20-cv-08132 (S.D.N.Y. Oct. 1, 2020), ECF No. 1.

[38] Consent Order ¶ 29, *CFTC v. HDR Glob. Trading Ltd.*, No. 20-cv-08132 (S.D.N.Y. Aug. 10, 2021), ECF No. 62.

judicial consent orders that perpetual contracts are swaps.[39] In 2023, for example, the CFTC brought an enforcement action against Binance, which offered customers "perpetual[] contracts" that "transfer the price risk of the underlying digital asset as between the counterparties to a transaction," "do not have a pre-determined expiration date," and "do not result in an exchange of the underlying digital asset."[40] The CFTC asserted that, while Binance's "quarterly futures" with a "pre-determined expiration date[]" were "futures contracts," its "perpetuals" with no expiration date "are swaps."[41] A federal court entered a consent order on that basis.[42]

83. CFTC leadership said the same thing publicly. Announcing one of these actions, then-Commissioner Caroline D. Pham emphasized that "[a] swap is a swap, even by any other name," and that so-called "'perpetual futures' can constitute swaps."[43]

84. If a perpetual derivative referencing bitcoin is a swap, then a perpetual derivative referencing a stock is a security-based swap. 15 U.S.C. § 78c(a)(68)(A).

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[39] *See, e.g.*, Compl. ¶ 23, *CFTC v. Eisenberg*, No. 23-cv-173 (S.D.N.Y. Jan. 9, 2023), ECF No. 1 ("'Perpetual futures' and 'perpetuals' . . . meet the definition of 'swaps' under the [CEA]."); Consent Order 5, *In re Deridex, Inc.*, CFTC Dkt. No. 23-42 (Sep. 7, 2023) ("[P]erpetual contracts . . . are 'swaps' under Section 1a(47) of the [CEA]."); Consent Order 5 & n.6, *In re Opyn, Inc.*, CFTC Dkt. No. 23-40 (Sep. 7, 2023) ("[P]erpetual contracts are 'swaps' under Section 1a(47) of the Act."); Compl. ¶ 41, *CFTC v. Mek Glob. Ltd.*, No. 24-cv-02255 (S.D.N.Y. Mar. 26, 2024), ECF No. 1 ("Perpetual futures are 'swaps' under the Act.").

[40] Compl. ¶¶ 62–64, *CFTC v. Zhao*, No. 23-cv-01887 (N.D. Ill. Mar. 27, 2023), ECF No. 1.

[41] *Id.* ¶¶ 60–62.

[42] Consent Order for Perm. Inj. at 8, *CFTC v. Zhao*, No. 23-cv-01887 (N.D. Ill. Dec. 14, 2023), ECF No. 80 ("[P]erpetuals are swaps.").

[43] Statement of Commissioner Caroline D. Pham Regarding Complaint Charging Swaps Manipulation and Fraud on a Decentralized Digital Asset Exchange, CFTC (Jan. 10, 2023), https://tinyurl.com/5yhkvvpy.

85. The CFTC's position was well understood by trading platforms. The platform dYdX, for example, told the CFTC that U.S. investors had been "cut off" from perpetuals by "the Commission's historical enforcement posture."[44] Industry commentators wrote that the CFTC had "viewed perps as swaps, not futures," and that businesses were deterred from offering them "due to concerns they may be classified as swaps."[45] And in February 2026, the Blockchain Association, a trade group of more than 130 digital-asset firms, petitioned the CFTC for an order under Section 4(c) of the CEA "exempting perpetual futures . . . from all requirements applicable to swaps."[46] The industry did not claim that perpetuals were futures—instead, it asked to be excused from the requirements for swaps.

C. The SEC Classifies Comparable Single-Stock Products As Security-Based Swaps.

86. The SEC has also long understood that contracts that provide for an exchange of payments based on changes in an underlying stock value and that do not transfer any ownership interest are security-based swaps. Like the CFTC, it has

[44] dYdX Trading Inc., Comment Letter on Request for Comment on the Trading and Clearing of "Perpetual" Style Derivatives, at 1, 6 (May 21, 2025).

[45] Salah Ghazzal & Charlie Ambrose, *Bringing Perps to the People: A Proposal for Perpetual Futures Regulation in the U.S.*, Variant (Oct. 8, 2025) ("[T]he CFTC's enforcement record under the Biden administration expressed a clear view on policy: Perps should not be permitted for U.S. retail traders."); Crypto Council for Innovation, Comment Letter on General CFTC Request for Input on All Recommendations for the CFTC in the President's Working Group on Digital Assets 3 & n.5 (Nov. 26, 2025); *see also* The Digital Chamber, Comment Letter (May 21, 2025), (supporting CFTC "issuing guidance clarifying how perpetual derivatives are treated under existing futures and swap definitions").

[46] Blockchain Association, Petition for an Order under Section 4(c) of the Commodity Exchange Act: Trading and Clearing of Perpetual Derivatives on Digital Assets, at 1, 3 n.7, 8 (Feb. 24, 2026) ("[T]he potential that the CFTC will regulate them as swaps[] is hindering domestic businesses from offering perpetuals to willing retail and institutional market participants.").

enforced the requirements and protections that Congress enacted for security-based swaps.

87. In 2018, for example, the SEC sued the operator of an offshore platform that marketed "contracts for difference" (CFDs) on U.S. stocks to retail customers, alleging that they are "security-based swaps."[47] Through the contracts, users could "participate in the price movements of securities and other assets without actually owning the underlying asset," such as purchasing a long or short position "that tracks the price of the stock of a publicly-traded U.S. company."[48] The SEC recognized that because the "values of the CFDs are tied to the values of underlying securities," "they are security-based swaps," and "the federal security laws require that offerings in security-based swaps be registered with the SEC and that the transactions be executed on a registered national exchange."[49]

88. That enforcement action reflects the Commissions' joint understanding that CFDs are swaps or security-based swaps, depending on the underlying reference. A CFD exchanges the difference in the value of a stock between the opening and closing of a position, transfers no shares, imposes a financing charge for holding the position open, and commonly has no fixed expiration.[50] For years, offshore brokers have

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[47] Compl. ¶¶ 2-3, 20, *SEC v. 1pool Ltd.*, No. 1:18-cv-2244 (D.D.C. filed Sep. 27, 2018), ECF No. 1; SEC Lit. Release No. 24330 (Sep. 27, 2018); Final J., *SEC v. 1pool Ltd.*, No. 1:18-cv-02244 (D.D.C. Mar. 4, 2019), ECF No. 14.

[48] *Id.* at 1.

[49] *Id.*

[50] *See* European Sec. & Mkts. Auth., Decision (EU) 2018/796, art. 1(a), 2018 O.J. (L 136) 50 (defining a CFD as a derivative "the purpose of which is to give the holder a long or short exposure to fluctuations in the price, level or value of an underlying . . . and that must be settled in cash or may be settled in cash at the option of one of the parties"); *see also* QFEX

sold CFDs to retail customers abroad. The Commissions addressed CFDs in the 2012 Product Definitions Release, explaining that they are "agreement[s] to exchange the difference in value of an underlying asset" over time and do not transfer ownership in the asset, and thus "fall within the scope of the swap or security-based swap definition," depending on the asset they reference.[51] A CFD based on a stock is therefore a security-based swap.[52] The Commissions defined a CFD as providing exposure to changes in the value of the underlying asset without any transfer of the asset itself.[53]

89. The SEC has brought other enforcement actions against companies offering derivatives to retail customers based on the value of stock. In 2019, the SEC sanctioned a company that offered retail customers "swaps" that "tracked the real-time price of a variety of U.S.-listed securities," emphasizing that the "Dodd-Frank Act sought to regulate the sale of security-based swaps" to retail investors "to provide important investor protections."[54] In 2020, the SEC and CFTC acted together against Abra, whose app let users obtain "synthetic exposure to price movements of stocks and exchange-traded fund ('ETF') shares that trade in the United States."[55] The SEC found that the contracts were security-based swaps unlawfully sold to retail investors, and the CFTC found that the same contracts were swaps entered into off-

Research, *Perps for the People* (Sep. 9, 2025), https://tinyurl.com/3x2w8etj ("Perps enable open-ended exposure to underlying assets, just like CFDs.").

[51] *Id.* at 48,259–60 & nn.595–96.

[52] *Id.* at 48,260.

[53] *Id.* at 48,259.

[54] Order Instituting Cease-and-Desist Proceedings at 2, *In re XBT Corp. SARL d/b/a First Global Credit*, Securities Act Release No. 10723 (Oct. 31, 2019).

[55] Order Instituting Cease-and-Desist Proceedings at 2–5, *In re Plutus Fin. Inc. d/b/a Abra*, Securities Act Release No. 10801, Admin. Proc. File No. 3-19873 (July 13, 2020); Order Instituting Proceedings, *In re Plutus Fin. Inc.*, CFTC Dkt. No. 20-23 (July 13, 2020).

exchange in violation of CEA Section 2(e). Just recently, in 2026, the SEC sanctioned two offshore firms for the same conduct.[56] In each case the product offered cash-settled exposure to the price of a U.S. stock, with no shares changing hands, sold to retail investors outside the securities laws—just as stock perpetuals do.

D. Statutory Text and Precedent Make Clear That Stock Perpetuals Are Security-Based Swaps.

90. The Commissions' prior classification is correct: a perpetual derivative is a "swap," and a single-stock perpetual is a "security-based swap."

91. A perpetual contract on a stock meets all the elements of the statutory security-based swap definition. It is a "swap" because:

- it "provides on an executory basis for the exchange . . . of 1 or more payments based on the value or level of" a security;
- "transfers, as between the parties to the transaction . . . the financial risk associated with a future change in any such value";
- and does not "convey[] a current or future direct or indirect ownership interest" in the stock.

7 U.S.C. § 1a(47)(A)(iii). And it is a security-based swap because it is "based on" "a single security," "including any interest therein or on the value thereof." 7 U.S.C. § 1a(42), (47)(A)(iii); 15 U.S.C. § 78c(a)(68)(A).

92. The definition of "swap" excludes security futures. 7 U.S.C. § 1a(47)(B)(i). But perpetual derivatives referencing stock are not "security futures."

[56] Order Instituting Cease-and-Desist Proceedings at 4–5, *In re Netrios LP Ltd. & Red Acre Ltd.*, Securities Act Release No. 11425 (June 29, 2026). The SEC's enforcement of the retail restrictions on security-based swaps predates these cases. *See In re Forcerank LLC*, Securities Act Release No. 10232 (Oct. 13, 2016); *In re Equidate, Inc.*, Securities Act Release No. 10262 (Dec. 6, 2016).

Security futures are "contract[s] of sale for future delivery of a single security," 7 U.S.C. § 1a(44). By design, perpetuals do not expire and do not contemplate delivery or final settlement on any future date. As described above, the delivery obligation serves a critical function for futures markets and is an important safeguard. The statutory definition reflects that the future delivery obligation is a precondition for a contract to be a security futures contract, 7 U.S.C. § 1a(44), and the regulations governing the trading of securities futures likewise presuppose future delivery or final settlement, *see, e.g.*, 17 C.F.R. § 41.25(b), (c).

93. Precedent confirms that perpetual derivatives are swaps, not futures. The Second Circuit has repeatedly recognized that a "basic feature[]" of a futures contract is an agreement to "deliver" the referenced asset "at a fixed date in the future." *Leist v. Simplot*, 638 F.2d 283, 286 (2d Cir. 1980); *Strobl v. N.Y. Mercantile Exch.*, 768 F.2d 22, 24 (2d Cir. 1985); *In re Amaranth Nat. Gas Commodities Litig.*, 730 F.3d 170, 173–74 (2d Cir. 2013); *accord United States v. Bein*, 728 F.2d 107, 111 (2d Cir. 1984) ("[A] futures contract involves the sale or purchase of specified amounts of a commodity to be delivered in the future.").

94. By the same token, the Second Circuit has recognized that "[s]waps, unlike futures contracts, do not contemplate delivery of the underlying commodity." *Amaranth*, 730 F.3d at 175.

95. Other circuits agree that "common elements" of a futures contract include an "agreement[] to buy or sell" an asset "at or before a stated future time." *CFTC v. Erskine*, 512 F.3d 309, 323 (6th Cir. 2008); *see also, e.g.*, *CFTC v. Zelener*,

373 F.3d 861, 864 (7th Cir. 2004) (futures contract is a fungible promise to buy or sell "at a fixed date in the future"); *Cboe Futures Exch., LLC v. SEC*, 77 F.4th 971, 974 (D.C. Cir. 2023) (futures contract is an agreement for delivery "at a set future date").

96. Even the handful of district courts that described, prior to the Dodd-Frank Act, contracts of "indefinite duration" as futures did so because the customer's obligation to make or take delivery rolled forward each day and never disappeared. *CFTC v. Int'l Fin. Servs. (N.Y.), Inc.*, 323 F. Supp. 2d 482, 494–98 (S.D.N.Y. 2004) (an "essential element" of a futures contract is the "obligation to make or take delivery of a commodity in the future"); *CFTC v. Int'l Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). The statute requires the delivery obligation, even assuming the delivery date may be indefinite. *See also, e.g.*, *Chi. Mercantile Exch. v. SEC*, 883 F.2d 537, 539-40, 546 (7th Cir. 1989) (finding, prior to the Dodd-Frank Act, that agreements were futures contracts where there were scheduled quarterly settlement dates).

IV. The CFTC Abruptly Changes Course Without Explanation.

97. In recent months, the CFTC has abruptly changed course from its prior position, blessing the trading of perpetual derivatives as futures contracts rather than swaps, notwithstanding the statute and the Commissions' longstanding positions. All the while, the CFTC has failed to acknowledge its prior position or provide a reasoned explanation for this change.

A. CFTC Approves Perpetuals on Bitcoin Without Acknowledging Its Prior Position.

98. CFTC staff first posed regulatory-classification questions in an April 21, 2025 request for public comment on perpetual derivatives.[57] The agency received more than 150 comments.[58] Commenters included trading platforms that, as discussed above, acknowledged that perpetuals fall within the swaps definition but asked the agency to change course.[59] The CFTC did not issue a rule or interpretation responding to the comments or explaining why a contract with no scheduled settlement could qualify as a contract for future delivery.

99. Instead, on May 29, 2026, the CFTC approved an application filed by Kalshi—just *one day* after it was filed—to classify a perpetual contract on bitcoin as a futures contract.[60] The CFTC's nine-page order does not acknowledge the CFTC's longstanding classification of perpetuals as swaps, let alone explain the change in position. Nor does it analyze the statutory definition of a "swap," 7 U.S.C. § 1a(47). Its legal-classification analysis largely consists of a recitation of the arguments in Kalshi's application, relying principally on pre-Dodd-Frank case law, after which the Order states that, "based on the Commission's review of [the applicant's] analysis,"

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[57] CFTC, *Request for Comment on the Trading and Clearing of "Perpetual" Style Derivatives* 1–3 (Apr. 21, 2025), https://tinyurl.com/4ujzf7sj.

[58] CFTC, *Comments for General CFTC Request for Comment on the Trading and Clearing of "Perpetual" Style Derivatives*.

[59] *See* Intercontinental Exchange, Inc., Comment Letter on Request for Comment on the Trading and Clearing of "Perpetual" Style Derivatives 1–3 (May 21, 2025); Coinbase Derivatives, LLC, Comment Letter on Request for Comment on the Trading and Clearing of "Perpetual" Style Derivatives 1, 4–5 (May 21, 2025); The Digital Chamber, Comment Letter on Request for Comment on Perpetual Derivatives 1, 4–5 (May 21, 2025).

[60] Kalshi Order, *supra* n.35.

designating the perpetual "as a futures contract" "would not violate the CEA or the Commission's regulations."[61]

100. The Kalshi Order was promptly challenged. On June 18, 2026, CME sued the CFTC and Chairman Selig in the United States District Court for the District of Columbia, seeking vacatur of the Kalshi Order and the Policy Statement described below and a declaration that perpetual derivatives on bitcoin are swaps. Compl., *Chi. Mercantile Exch. Inc. v. Selig*, No. 1:26-cv-02157-CKK (D.D.C. June 18, 2026), ECF No. 1.

B. The CFTC Allows Perpetuals on Additional Asset Classes.

101. The CFTC has approved perpetuals on other asset classes without explanation, ignoring its own statements about the need for additional Commission review.

102. In the Kalshi Order, the CFTC stated that its approval was limited to perpetual contracts on "bitcoin or other digital commodities." Kalshi Order at 8. The same day, it issued a policy statement acknowledging that "[p]erpetual contracts raise novel and complex questions relating to market structure, customer protection, resilience during periods of market stress, and consistency" with the requirement that a DCM list only contracts "not readily susceptible to manipulation." 91 Fed. Reg. at 33,161. The Policy Statement directed that perpetual contracts on other asset classes "should be submitted" for "review and approval" and stated that perpetual

[61] Kalshi Order, *supra* n.35, at 6–8.

contracts referencing equity securities "would benefit from review by the Commission and the U.S. Securities and Exchange Commission." *Id.* at 33,161 & n.5.

103. On June 24, 2026, the CFTC and the SEC jointly requested comment on the regulatory classification of "'perpetual' contract[s]," including "potential ways to draw clearer regulatory lines." Joint Request for Comment on Further Definition of 'Swap' and 'Security-Based Swap' and on Alternative Compliance, 91 Fed. Reg. 37,873, 37,875–76 (June 24, 2026) (Joint Request for Comment). Among other questions, the Commissions asked what effects a cash-settled perpetual contract referencing an equity security could have on "liquidity formation, price discovery, and hedging activity, particularly with regards to the derivatives and underlying cash equity markets." *Id.* at 37,876.

104. Commenters responded that trading in securities-related derivatives is closely linked to the securities markets, that perpetual derivatives on individual stocks may create manipulation and volatility risks, and that a platform's label should not determine the governing regulator or regulatory framework.[62]

105. The CFTC has not issued a rule or classification determination addressing these comments.

106. The CFTC has instead allowed perpetuals on other asset classes to take effect without any further written approval or analysis. Kalshi has self-certified additional digital-asset and precious metals perpetuals in reliance on the Kalshi

[62] *See, e.g.*, Nasdaq Cmt. 3-4, 9-10 (Aug. 24, 2026), https://tinyurl.com/2wtw95c5; MFA Cmt. 11 (Sep. 14, 2026), https://tinyurl.com/yps7azve; MEMX Cmt. 13-16 (Aug. 24, 2026), https://tinyurl.com/p967duyu; SIFMA, et al. Cmt. 10-11 (Aug. 24, 2026), https://tinyurl.com/4nkr4p43.

Order.[63] Kalshi also filed an application to list a perpetual on a broad-based stock index, which the CFTC deemed approved on October 2, 2026 by allowing the 45-day review period under its regulations to expire.[64]

V. The Challenged Approvals of Single-Stock Perpetuals

107. In its most recent move, the CFTC has now allowed platforms to trade perpetuals on individual stocks as security futures. The CFTC's 45-day review period for the September 18 applications filed by Kalshi, Bitnomial, and Coinbase to list perpetuals on individual stocks as "security futures" expired, without the CFTC issuing a notice of non-approval or taking action that extends the review period. As of November 3, 2026, those applications are therefore "deemed approved by the Commission, pursuant to Commission Regulation 40.3," without the Commission issuing any written order. Exhibit 1.

A. The September 18 Applications.

108. On September 18, 2026, the three platforms submitted product applications and associated rule filings covering dozens of perpetual derivatives on individual stocks. Coinbase's application sought approval to list a "suite" of "cash-settled, perpetual futures contracts" each referencing "a single underlying equity security," and it provided a "representative specification" for a perpetual contract referencing

[63] *See* CME Compl. ¶ 9; *see also, e.g.*, KalshiEX LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of the GOLDPERP Futures Contract (Sep. 8, 2026), https://www.cftc.gov/filings/ptc/ptc09082624176.pdf.

[64] CFTC Letter No. 26-29, at 2, 5 n.25 (Oct. 3, 2026) (recognizing that the August 18, 2026 application was "deemed approved"); *see also id.* (staff letter issuing no-action relief to permit DCMs to remove expiration dates from existing broad-based-index futures).

Apple stock.[65] Bitnomial's applications sought approval to list perpetual contracts referencing 10 individual stocks, including Alphabet and Microsoft. Kalshi provided a schedule identifying 58 contracts, proposing perpetuals on 55 stocks and three exchange-traded funds or American depositary receipts. These filings are attached as Exhibit 2.[66] The applicants made parallel notice-based SEC rule filings. Exchange Act Release Nos. 34-106420, 34-106421, 34-106422 (Sep. 18, 2026).[67]

109. While the applications differ in some details, their essential terms are the same. Each "perpetual" contract gives its holder continuing cash-settled exposure to changes in the price of an individual stock, but conveys no shares, voting rights, or other ownership interest. Each has no fixed expiration date or scheduled final settlement and uses recurring "funding" payments purportedly designed to keep the contract's price aligned with the price of the referenced stock.

110. Contrary to the applicants' erroneous characterizations, the perpetual derivatives on individual securities in the September 18 applications are security-based swaps, not security futures. Take the Apple-linked perpetuals described by each of the applicants. Holders of the perpetuals make or receive cash payments

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[65] *See* Coinbase Submission No. 2026-62, *supra* n. 35, at 3-4.

[66] *See, e.g.*, Coinbase Submission, *supra*; Bitnomial Exchange, LLC, Submission No. 2026-107 (Sep. 18, 2026), https://tinyurl.com/mwcf9f63 (Bitnomial Submission No. 2026-107); Bitnomial Exchange, LLC, Submission No. BTNL-2026-115 (Sep. 18, 2026) (Bitnomial Submission No. BTNL-2026-115), https://tinyurl.com/8kmxetjs; KalshiEX LLC Submission (Sep. 18, 2026) (Kalshi Submission), https://tinyurl.com/y6wurh4e.

[67] Commenters, including the Alliance, Nasdaq, and Cboe, have urged the SEC to abrogate the filings because the products are security-based swaps, not security futures. *See supra* nn.3, 10-11, 18; Letter from Tyler Gellasch, President & CEO, Healthy Markets Ass'n, to Vanessa A. Countryman, Sec'y, SEC, and Christopher Kirkpatrick, Sec'y, CFTC, re Filings Related to the Listing and Trading of So-Called Perpetual Futures Contracts in U.S. Public Equity Securities (Oct. 29, 2026) ("Healthy Markets Letter").

reflecting gains and losses as the price of Apple stock moves, and the long and short sides exchange recurring "funding" payments based on the gap between the perpetual's price and the price of Apple shares to ensure the perpetual's price tracks the spot price. *See* Coinbase Submission 5, 8-9 ("Depending on whether the Contract trades above or below the Reference Security's spot price, longs pay shorts or shorts pay longs, respectively."); *see also, e.g.*, Bitnomial Submission 4; Kalshi Submission, App. A at 1. There is no scheduled expiration or final settlement date. Coinbase Submission 6; Bitnomial Submission 4; Kalshi Submission, App. A at 3. As discussed above, a perpetual derivative based on an individual stock meets each component of the security-based swap definition and is not a security future. *See* 7 U.S.C. § 1a(44), (47)(A)(iii), (B)(i); 15 U.S.C. § 78c(a)(68)(A).

111. The applicants themselves tout the distinction between the perpetuals and true futures contracts. Coinbase states that an equity perpetual "eliminates the roll cost and roll-date basis risk" associated with rolling a position in a dated future. Bitnomial states that its Alphabet perpetual provides exposure "without repeatedly rolling an expiring futures position." And Kalshi calls its products "structurally superior to a strip of dated futures" because they eliminate roll costs and "concentrate[] liquidity in a single instrument rather than fragmenting it across tenors."[68]

B. The November 3 CFTC Stock Perpetual Approvals.

112. The CFTC did not issue notices of non-approval of the applications within the regulatory review period, extend the review period, or request a

[68] Coinbase Submission, *supra* n.35, at 4–5; Bitnomial Submission No. BTNL-2026-115, *supra* n.66, at 3; Kalshi Submission, *supra* n.66, at 3–4.

jurisdictional determination from the SEC under 15 U.S.C. § 8306. Accordingly, on November 3, 2026, the applications were deemed approved by the CFTC. 17 C.F.R. §§ 40.3(d)(1), 40.5(d)(1), 41.23(b). As discussed above, that approval constitutes final agency action and permits the platforms to immediately start trading. *See* Exhibit 1 ("Today, perpetual futures contracts on individual equity securities . . . can begin trading for the first time on CFTC-registered exchanges.").

113. This momentous decision allows, for the first time, CFTC-regulated trading platforms to offer perpetual derivatives on single stocks without complying with Congress's requirements for security-based swaps, including directives limiting the offering of security-based swaps to retail investors. 15 U.S.C. §§ 77e(e), 78f(l).

114. The CFTC issued no written order explaining why these products qualify as security futures rather than security-based swaps. Nor did it acknowledge its longstanding prior treatment of perpetual derivatives as "swaps" or provide a reasoned explanation for its change in position. And, despite previously acknowledging that these products would benefit from further CFTC and SEC review, it allowed these products to be approved simply by letting a regulatory clock expire. The CFTC has not provided any reasoned explanation for how the trading of these products is consistent with Congress's framework.

115. The CFTC took this unreasoned action despite being well aware of the concerns of approving single-stock perpetuals to trade on CFTC-regulated platforms. Commenters, including the Alliance and Alliance members, explained to the CFTC that single-stock perpetuals do not meet the statutory definition of a security future,

that approving single-stock perpetuals as "security futures" would represent an unexplained reversal of the CFTC's longstanding position, and that permitting single-stock perpetuals to trade as security futures would undermine the investor protections and threaten the integrity of U.S. equity markets.[69] More generally, leading exchanges, associations, and members of Congress raised concerns of allowing single-stock perpetuals to be made available to U.S. investors on CFTC-regulated platforms.[70] The CFTC nonetheless plowed ahead, allowing single-stock perpetuals to trade on CFTC-regulated platforms for the first time without a written order.

VI. The CFTC's Unlawful Actions Will Cause Immediate and Irreparable Harm to the Alliance's Members and the Public

A. The Alliance's Members Will Be Immediately and Irreparably Harmed.

116. The Alliance's membership spans the regulated ecosystem through which U.S. stocks are traded, executed, and priced, and includes SEC-registered national securities exchanges and SEC-regulated broker-dealers. As a result of the unlawful Stock Perpetual Approvals, Alliance members face imminent diversion of trading and revenue and lost customers and goodwill. For exchanges, each single-stock perpetual executed on one of the CFTC-regulated platforms is a transaction and

[69] *See, e.g.*, Letter from Cboe Global Markets, Inc. to CFTC, Requests for Commission Approval of Single-Stock Perpetual Contracts as Security Futures Products Under CFTC Regulation 41.23(b) — Coinbase Derivatives, LLC; KalshiEX LLC; Bitnomial Exchange, LLC; North American Derivatives Exchange Inc., at 2-3 & n.4 (Oct. 30, 2026); Letter from Capital Markets Alliance to CFTC, File No. SR-KALSHIEX-2026-02; File No. SR-COIN-2026-002; File No. SR-BTNL-2026-001; File No. SR-OGM-2026-001; and Joint Request for Comment on Further Definition of "Swap" and "Security-Based Swap" and on Alternative Compliance (Nov. 2, 2026); Healthy Markets Letter, *supra* n.67.

[70] *See, e.g.*, Sherman Letter, *supra* n.3; Britt Letter, *supra* n.3; Healthy Markets Letter, *supra* n.67.

revenue that bypasses the exchange. For broker-dealers, each diverted transaction is a customer order lost to platforms that operate outside the full regulatory authority of the SEC. These losses begin the moment trading begins and compound as liquidity concentrates on the CFTC-regulated platforms—precisely the result the applicants say their products are designed to produce.

117. Those injuries are irreparable. The APA waives sovereign immunity for claims seeking relief "other than money damages," 5 U.S.C. § 702, and the Alliance's members have no damages remedy against Defendants for their lost transaction fees or other lost revenue. *See Dep't of the Army v. Blue Fox, Inc.*, 525 U.S. 255, 260–61 (1999). Monetary loss is irreparable where sovereign immunity leaves no means to recoup it. *Ohio v. EPA*, 603 U.S. 279, 291-92 (2024) (citing "nonrecoverable" monetary harm as irreparable harm); *United States v. New York*, 708 F.2d 92, 93–94 (2d Cir. 1983) (per curiam); *New Jersey v. U.S. Dep't of Transp.*, No. 26-cv-939 (JAV), slip op. at 9 (S.D.N.Y. Feb. 6, 2026), ECF No. 45. A later judgment cannot recreate fee-generating trades executed elsewhere during the period before judgment. Vacating the approvals and enjoining Defendants from giving them effect is necessary to prevent those injuries.

B. The Approvals Threaten Immediate, Irreparable Harm to Retail Investors, the Markets, and the Public.

118. The Stock Perpetual Approvals permit perpetual derivatives on individual stocks to be traded to U.S. retail investors without the protections Congress mandated for security-based swaps. Through erroneous labels, the CFTC has opened

retail markets to these securities products without the disclosure, market-structure, and oversight safeguards Congress prescribed.[71]

119. The CFTC's unlawful action threatens investors and the markets. For example, under the erroneous label of "security futures," the platforms propose a minimum unhedged margin of approximately 15% to 15.5% for the single-stock perpetuals, meaning that an investor's $1,000 controls roughly $6,450 to $6,667 in stock price exposure. In offering perpetuals on other assets, Kalshi has advertised the leverage that customers can obtain and displayed a leaderboard of the largest open positions.[72] Leverage magnifies gains, but it also magnifies losses. A relatively modest move against the customer can wipe out the posted margin and trigger a margin call or forced liquidation—even if the stock later recovers. Market stress that originates in perpetual trading could create forced selling, hedging pressures, volatility, and funding demands that harm investors and spill into the underlying equity markets.

120. The risk does not stop with the customer. Commenters have warned that a parallel market in stock substitutes can siphon liquidity from stocks and listed options, impair price discovery on the registered exchanges whose prices serve as reference points upon which market participants rely, and open new avenues for cross-market manipulation. Those effects would fall on Alliance members and their members that hold and trade U.S. stocks—including pension funds and asset managers—whether or not they ever trade a perpetual contract. Commenters observed that exchange-established prices anchor trading, compensation, index inclusion, margin

[71] Kalshi, *What Are Perpetual Futures?, supra* n.32.
[72] Kalshi, US500 Perpetual, https://tinyurl.com/h5ra2a9m (last visited Nov. 3, 2026).

calculations, and corporate transactions, and warned that parallel channels for equivalent securities exposure across disparate regulatory frameworks threaten the reliability of those benchmarks.[73] The Commissions asked about these very threats to "liquidity formation, price discovery, and hedging activity" in June, 91 Fed. Reg. at 37,876, but the CFTC let the approvals take effect without providing any answer or analysis.

121. The Stock Perpetual Approvals prepare the way for additional CFTC platforms to list these products. On September 24, 2026, OG.com Markets filed a product submission covering perpetual security futures on individual stocks.[74] Absent relief, filing after filing can become approval by inertia, allowing for U.S. investors to access single-stock perpetuals before the CFTC has issued a reasoned classification determination, and contrary to Congress's statutory framework.

122. Once trading of single-stock perpetuals begins, it will also be difficult to unwind if a court were to later hold the Stock Perpetual Approvals unlawful.[75] Any halt to trading would require the platforms and customers to address open positions, potentially through forced closing, transfer, or another wind-down mechanism. The operational complexity and potential market disruption will only increase as the number and size of open positions grow.

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[73] *See* Nasdaq Cmt. 4.

[74] OG.com Markets Submission No. 2026-10 (Sep. 24, 2026), https://tinyurl.com/3yd3b49a.

[75] Letter from Katie Boyd Britt, U.S. Senator, to Paul S. Atkins, Chair, SEC, at 1-2 (Oct. 29, 2026), https://tinyurl.com/4wkzhjst (urging resolution of "classification questions *before* widespread retail trading begins" on "perpetual derivatives tied to U.S. stocks" and noting "potential harm to investors and markets if these products begin trading and a court subsequently determines that they have been improperly classified" (emphasis added)).

COUNT I
Violation of the Administrative Procedure Act:
Arbitrary and Capricious

123. Plaintiff realleges all allegations contained in the preceding paragraphs and incorporates them herein by reference.

124. The APA prohibits the CFTC from acting in a manner that is arbitrary or capricious or not otherwise in accordance with law. 5 U.S.C. § 706(2)(A).

125. The arbitrary-and-capricious standard requires that agency action "be reasonable and reasonably explained." *Hadwan v. U.S. Dep't of State*, 139 F.4th 209, 221 (2d Cir. 2025) (quoting *FCC v. Prometheus Radio Project*, 592 U.S. 414, 423 (2021)). A court reviewing agency action must "be certain that an agency has considered all the important aspects of the issue and articulated a satisfactory explanation for its action." *Kakar v. USCIS*, 29 F.4th 129, 135 (2d Cir. 2022). And the court "generally must assess the lawfulness of an agency's action in light of the explanations the agency offered for it rather than any *ex post* rationales a court can devise." *Id.* at 132.

126. The Stock Perpetual Approvals are arbitrary and capricious because the Stock Perpetual Approvals dramatically change the status quo and upend the regulatory regime that Congress enacted, but the CFTC provided no reasoned explanation for its momentous decision. The CFTC allowed perpetual derivatives on single securities to be listed for trading on DCMs as security futures, for the first time, "without any explanation or discernible reasoning" as to how that decision comports with Congress's statutory definitions. *Brotherhood of Locomotive Eng'rs & Trainmen v.*

Federal R.R. Admin., 972 F.3d 83, 115 (D.C. Cir. 2020). Instead of a reasoned explanation for its consequential decision, the agency has left "a total explanatory void." *Id.* at 117. The CFTC did not explain, for example, how the contracts satisfy the statutory security futures definition when they lack any final settlement date.

127. That failure is especially unreasonable because the Stock Perpetual Approvals rubber-stamped the applications of self-interested private parties. Courts have recognized that it is arbitrary and capricious for an agency to issue a decision that uncritically accepts the "self-serving views of [a] regulated entity" or parrots a regulated entity's reasoning. *Cboe Futures Exch., LLC v. SEC*, 77 F.4th 971, 978-79 (D.C. Cir. 2023) (explaining that an agency must "critically review[]" and adopt a regulated entity's submissions or "perform[] its own" analysis); *Susquehanna Int'l Grp., LLP v. SEC*, 866 F.3d 442, 447 (D.C. Cir. 2017) (similar). Worse than that here, the CFTC issued no written order or reasoned explanation at all, allowing the applications to be deemed approved based on the applicants' say-so that the contracts are security futures.

128. Under the CEA, the CFTC is directed to approve a new contract "unless the Commission finds" that it would violate the statute or regulations. 7 U.S.C. § 7a-2(c)(5)(B). To fulfill that responsibility and satisfy the APA's arbitrary-and-capricious standard, the CFTC was required to "actually scrutinize" the applications, *see Christ the King Manor, Inc. v. HHS*, 730 F.3d 291, 312-13 & n.23 (3d Cir. 2013), and make its *own* reasoned "find[ings]" for treating the contracts as security futures,

Susquehanna, 866 F.3d at 447. The CFTC "abdicated that responsibility" and simply blessed the applicants' self-serving assertions. *Id.* at 446 (quotation marks omitted).

129. The Stock Perpetual Approvals are independently arbitrary and capricious because the CFTC failed to acknowledge, much less reasonably explain, its change in position. *See Encino Motorcars, LLC v. Navarro*, 579 U.S. 211, 221 (2016). When an agency changes positions, it must "display awareness" that it is doing so and "show that there are good reasons for the new policy." *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009).

130. As discussed above, the CFTC previously took the position—and pursued enforcement actions and entered consent orders—on the understanding that perpetual derivatives with no "pre-determined expiration date" and recurring funding payments, but no transfer of the underlying asset, are "swaps." Compl. ¶¶ 62-64, *CFTC v. Zhao*, No. 23-cv-1887 (N.D. Ill. Mar. 27, 2023), ECF No. 1; *see also* Consent Order for Permanent Injunction 8, *CFTC v. Zhao*, No. 23-cv-01887 (N.D. Ill. Dec. 14, 2023), ECF No. 80 ("Binance's perpetuals are swaps."). Perpetuals referencing a single stock are therefore security-based swaps. But the CFTC has now changed course, permitting perpetual derivatives to be classified as futures and perpetual derivatives on single securities to be classified as security futures. The agency has displayed no awareness of or offered an explanation for its change of position. It has not attempted to reconcile its prior position with its new classification of these contracts. It simply "depart[ed] from [its] prior policy *sub silentio*," in violation of the APA. *Fox Television*, 556 U.S. at 515.

131. The Stock Perpetual Approvals are also independently arbitrary and capricious because the CFTC "entirely failed to consider an important aspect of the problem" in allowing these contracts to list as security futures. *Motor Vehicle Mfrs. Ass'n of the U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). In its June 3 Policy Statement, the CFTC stated that "[p]erpetual contracts raise novel and complex questions relating to market structure, customer protection, resilience during periods of market stress, and consistency" with the principle "that a DCM list only those contracts that are not readily susceptible to manipulation." 91 Fed. Reg. 33,160, 33,161. The CFTC expressly noted that "perpetual contracts that reference equity securities," like those at issue here, "would benefit from review by the Commission and the U.S. Securities and Exchange Commission." *Id.* at 33,161 & n.5. In their joint request for comment, the CFTC and the SEC asked commenters "[w]hat effects" a cash-settled "perpetual" contract referencing an equity security could "have on liquidity formation, price discovery, and hedging activity, particularly with regards to the derivatives and underlying cash equity markets." 91 Fed. Reg. 37,873, 37,875–76. As discussed above, commenters raised to the Commissions the risks of perpetual derivatives on individual securities and their links to the securities markets.

132. The CFTC deemed the September 18 applications approved without addressing public comment or providing answers to the questions it had identified. The CFTC made no effort to "examine[] the relevant data and articulate[] . . . a rational connection between the facts found and the choice made." *New York Stock Exch. LLC*

v. Sec. & Exch. Comm'n, 962 F.3d 541, 553 (D.C. Cir. 2020) (quoting *State Farm*, 463 U.S. at 43); *id.* at 567 (Pillard, J., concurring) (explaining that "without a statement of the agency's position and plan we cannot distinguish a valid, nonarbitrary effort to protect investors from an invalid experiment"). Instead, the CFTC supplied no reasoned assessment of the consequences of permitting retail trading without the safeguards applicable to security-based swaps. It has not confronted how leveraged perpetuals trading could lead to mass liquidation events that could stoke market volatility. And it has not assessed how single-stock perpetuals trading could affect liquidity, price discovery, hedging, and susceptibility to manipulation in the underlying securities markets.

133. For each of these independently sufficient reasons, the Stock Perpetual Approvals are arbitrary and capricious and must be held unlawful and set aside under 5 U.S.C. § 706(2)(A).

COUNT II
Violation of the Administrative Procedure Act:
Contrary to Law and in Excess of Statutory Authority

134. Plaintiff realleges all allegations contained in the preceding paragraphs and incorporates them herein by reference.

135. The APA prohibits the Commission from acting contrary to law or in excess of statutory authority. 5 U.S.C. §§ 706(2)(A), (C).

136. The CFTC may not approve a new contract for listing if the contract violates the CEA or regulations. 7 U.S.C. § 7a-2(c)(5)(B); *see* 17 C.F.R. § 40.3(a)(4), (b).

137. The CFTC's Stock Perpetual Approvals are contrary to law because the single-security perpetual derivatives at issue here are not security futures.

138. The perpetual derivatives at issue are security-based swaps that Congress placed under the SEC's exclusive jurisdiction and regulatory framework. *See* 7 U.S.C. § 1a(47)(B)(x) (excluding "security-based swap" from "swap" definition); 15 U.S.C. §§ 78c(a)(68), 78o-10. The CFTC has no statutory authority to approve security-based swaps for trading on DCMs under the label of "security futures" outside of the comprehensive scheme Congress enacted for security-based swaps.

139. The perpetual derivatives are "swap[s]" because they "provide[] on an executory basis for the exchange, on a fixed or contingent basis, of 1 or more payments based on the value or level of . . . securities," "transfer, as between the parties to the transaction . . . the financial risk associated with a future change in any such value," and do not "convey[] a current or future direct or indirect ownership interest in" the asset. 7 U.S.C. § 1a(47)(A)(iii). And they are "security-based swap[s]" because they are a "swap" "based on" "a single security or loan, including any interest therein or on the value thereof." 15 U.S.C. § 78c(a)(68)(A); 7 U.S.C. § 1a(42).

140. The definition of "swap" excludes contracts that meet the definition of a security future, that is, a "contract of sale for future delivery of a single security or of a narrow-based security index, including any interest therein or based on the value thereof." 7 U.S.C. § 1a(44), (47)(B)(i). The perpetual derivatives at issue do not fall within this exclusion because they are not "contract[s] of sale for future delivery."

Perpetual derivatives, by design, do not have an expiration date and do not contemplate any fixed date for "future delivery."

141. Second Circuit precedent confirms that perpetuals are not futures. The Second Circuit has repeatedly explained that a "basic feature[]" of a commodity futures contract is that the seller agrees to "deliver the commodity at a fixed date in the future." *Leist v. Simplot*, 638 F.2d at 286; *accord In re Amaranth Nat. Gas Commodities Litig.*, 730 F.3d at 173-74; *Bein*, 728 F.2d at 111. "Swaps, unlike futures contracts, do not contemplate delivery of the underlying commodity." *In re Amaranth Nat. Gas Commodities Litig.*, 730 F.3d at 175.

142. Because the challenged contracts are security-based swaps, not security futures, the Stock Perpetual Approvals are contrary to law and exceed the CFTC's statutory authority. This Court should hold them unlawful and set them aside under 5 U.S.C. § 706(2)(A), (C).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that this Court:

A. Vacate and set aside the Stock Perpetual Approvals.

B. Declare that the perpetual derivatives on single-name securities at issue in the Stock Perpetual Approvals are "security-based swaps" under the Commodity Exchange Act and securities laws, and it is therefore unlawful for the CFTC to authorize DCMs to list such perpetual derivatives as security futures.

C. Grant a temporary restraining order, and preliminary and permanent injunctive relief, to prevent the CFTC from giving effect to the Stock Perpetual

Approvals and from permitting the contracts described in the September 18 applications to be listed as security futures products, whether by approval, by certification under 17 C.F.R. § 40.2 or § 41.23(a), or otherwise.

D. Stay the Stock Perpetual Approvals under 5 U.S.C. § 705 to preserve status and rights pending conclusion of these proceedings.

E. Award Plaintiff its reasonable costs, fees, and expenses, including attorneys' fees.

F. Award any other relief as this Court may deem just and proper.

Dated: November 3, 2026

Respectfully submitted,

/s/ *Matthew T. Murphy*
Matthew T. Murphy
VENABLE LLP
151 West 42nd Street
New York, NY 10036
Phone: 212-307-5500
mtmurphy@Venable.com

Megan Barbero (*pro hac vice pending*)
Courtney L. Dixon (*pro hac vice pending*)
Elizabeth M. Wilson (*pro hac vice pending*)
VENABLE LLP
600 Massachusetts Avenue, N.W.
Washington, DC 20001
Phone: 202-344-4000
mbarbero@venable.com

Counsel for Plaintiff

An official website of the United States government Here's how you know

Public Statements & Remarks
Statement on Equity Perpetual Futures

Chairman Michael S. Selig
Washington, DC | November 03, 2026

Today, perpetual futures contracts on individual equity securities (the “Equity Perps”) can begin trading for the first time on CFTC-registered exchanges.[1]

In my inaugural remarks, I directed the CFTC to use the tools at its disposal to onshore perpetual derivative products so that they can flourish in the U.S., subject to appropriate safeguards.[2] Earlier this year, the CFTC took historic action in this regard by approving the listing of the first true bitcoin perpetual futures contract on a CFTC-regulated exchange.[3] Today’s announcement builds on that milestone by extending the availability of the perpetual futures contract instrument in the U.S. beyond digital commodities and into traditional securities. This expansion marks a significant step towards allowing U.S. market participants, consistent with applicable law, to avail themselves of the advantages of perpetual futures that have led to their emergence as widely sought tools for risk-management and price-discovery. I believe that bringing these types of innovative products into our regulated markets ensures that American investors and traders can access these products within the protections of the CFTC’s proven regulatory framework, rather than being forced to turn to offshore, and often unregulated, venues.

The Equity Perps were deemed approved by the Commission, pursuant to Commission Regulation 40.3, as security futures products under the Commodity Futures Modernization Act of 2000 (the “CFMA”). The contracts are thus subject to the applicable requirements of the Commodity Exchange Act, the U.S. Federal securities laws, and the regulatory frameworks of both the CFTC and the SEC.

More than two decades ago, Congress enacted the CFMA to establish a framework for the joint regulation of security futures products. This framework recognized the complementary roles of the CFTC and SEC in overseeing American financial markets by providing a pathway for innovation at the intersection of the U.S. Federal commodity laws and the U.S. Federal securities laws. Earlier this year, and in furtherance of those principles, the CFTC and SEC entered into a historic memorandum of understanding (the “MOU”) to guide coordination and collaboration between the two agencies.[4]

The Equity Perps build on the foundation of the CFMA and the MOU. For too long, regulatory uncertainty left innovative products, such as security futures and equity perpetual futures, stranded in what SEC Chairman Paul S. Atkins has aptly described as a regulatory “no man’s land” due to a lack of harmonization between the agencies.[5] The CFTC and SEC have turned the page on that era, and are committed to delivering regulatory clarity for innovative products and a clear path to market, rather than more casualties of jurisdictional disputes.

The Equity Perps demonstrate the strength of the ongoing commitments of the CFTC and SEC to support lawful innovation, uphold market integrity, and ensure investor and customer protection through the harmonization of the CFTC’s and SEC’s regulatory frameworks.

I would like to thank the many dedicated staff at the CFTC for their continued hard work and collaboration with the SEC. And I look forward to building on today’s milestone as the CFTC works to ensure that the new frontier of finance is built in the United States of America.

[1] The reference to CFTC-registered exchanges is to designated contract markets that are dually registered with the SEC as notice-registered national securities exchanges to trade security futures products.

[2] CFTC Chairman Michael S. Selig, *The Next Phase of Project Crypto: Unleashing Innovation for the New Frontier of Finance* (Jan. 29, 2026), available at https://www.cftc.gov/PressRoom/SpeechesTestimony/opaselig1 (https://www.cftc.gov/PressRoom/SpeechesTestimony/opaselig1).

[3] Order Approving KalshiEX LLC BTCPERP Futures Contract, May 29, 2026.

[4] CFTC, SEC, *CFTC and SEC Announce Historic Memorandum of Understanding Between Agencies*, Release No. 9192–26 (Mar. 11, 2026), available at https://www.cftc.gov/PressRoom/PressReleases/9192-26 (https://www.cftc.gov/PressRoom/PressReleases/9192-26).

[5] SEC Chairman Paul S. Atkins, *Prepared Remarks Before SEC Speaks* (Mar. 19, 2026), available at https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-sec-speaks-031926-prepared-remarks-sec-speaks (https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-sec-speaks-031926-prepared-remarks-sec-speaks).

-CFTC-

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September 18, 2026

VIA CFTC Portal

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 41.23(b) Listing of Security Futures Product for Trading: Voluntary Submission of Security Futures Products for Commission Approval Regarding the Initial Listing of Equity Perpetual Contracts

Coinbase Derivatives Submission #2026-62

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "CEA" or "Act"), and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), Coinbase Derivatives, LLC ("CDE" or "Exchange"),[1] hereby requests that the Commission approve the Equity Perpetual Contracts (the "Contracts").

The Contracts will be subject to the Rules set forth in the CDE Rulebook, including Chapter 12, as supplemented by the specifications attached hereto as Appendix B.

The Exchange intends to make this request effective and list the Contracts shortly following approval by the Commission, pending any additional necessary regulatory approvals.

Along with this submission, CDE submits the following documents:

- Appendix A, with a concise explanation and analysis of the Contracts;
- Appendix B, with the Contracts' Terms and Conditions;
- Appendix C, with further considerations regarding the Contracts; and
- Appendix D, describing the Contracts' compliance with the Core Principles.

The Exchange hereby certifies that: (a) the securities underlying the Contracts satisfy the requirements of Commission Regulation 41.21; (b) only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered pursuant to Section 15A(a) of the Securities Exchange Act of 1934 ("Exchange Act") and the rules and regulations thereunder, except to the extent otherwise permitted under the Exchange Act and the rules and regulations thereunder, may solicit, accept any order for, or otherwise deal in any transaction in or in connection with the Contracts; (c) dual trading in the

[1] CDE is a designated contract market ("DCM") and notice registered as a national securities exchange with the Securities and Exchange Commission ("SEC") for the sole purpose of trading security futures products. Pursuant to its notice registration, CDE plans to list cash-settled futures on individual equity securities and exchange-traded fund shares, including perpetual futures.

Contracts is restricted in accordance with CFTC Regulation 41.27; (d) trading in the Contracts is not readily subject to manipulation of the price of any Contracts, nor to causing or being used in the manipulation of the price of any underlying security, option on such security, or option on a group or index including such security, consistent with the conditions for trading of CFTC Regulation 41.25; (e) processes are in place for coordinated surveillance among the Exchange, any market on which the securities underlying the Contracts are traded and other markets on which any related securities are traded to detect manipulation and insider trading; (f) an audit trail is in place to facilitate coordinated surveillance among the Exchange, any market on which the securities underlying the Contracts are traded, and any market on which any related securities are traded; (g) processes are in place to coordinate regulatory trading halts between the Exchange and markets on which the securities underlying the Contracts are traded and other markets on which any related securities are traded; and (h) the margin requirements for the Contracts will comply with the provisions specified in CFTC Regulations 41.43 through 41.48.

The Exchange hereby further certifies that the Contracts comply with the additional conditions for trading set forth in CFTC Regulation 41.25, and comply with the Act and the regulations thereunder. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at: https://www.coinbase.com/derivatives.

If you have any questions or require any further information, please do not hesitate to contact me at jane.downey@coinbase.com.

Sincerely,

/s/

Jane Downey
Chief Regulatory Officer

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Appendix A

Concise Explanation and Analysis of the Contracts and their Compliance with Applicable Provisions of the Act, Including Core Principles and the Commission's Regulations Thereunder

The Exchange submits for the Commission's approval a suite of perpetual futures contracts, each referencing a single underlying equity security or exchange-traded fund ("ETF") share (the "Contracts").

The Exchange first describes the mechanics of perpetual futures before turning to the Contracts themselves.

I. Perpetual Futures

A perpetual future is a type of cash-settled futures contract that has no fixed expiration date.[2] Rather, a perpetual future has an indefinite, perpetual term and "rel[ies] on a periodic funding rate mechanism, rather than a fixed expiration date, to maintain relative price parity with the underlying asset's spot price."[3]

Pursuant to the funding rate mechanism, holders of long and short positions periodically pay or receive a funding amount determined by the gap between the contract's price and a reference price that tracks the prevailing spot price of the underlying security.[4] The direction of that payment turns on where the contract trades relative to the spot price: when the contract is priced above the spot price, longs pay and shorts collect, and when the contract is priced below the spot price, this flow reverses. Because the paying side bears a recurring charge for holding the position that has pushed the contract away from the spot price, each funding cycle generates an ongoing economic incentive to trade in the direction that narrows the gap. The funding rate mechanism thus incentivizes arbitrage activity that drives convergence between the perpetual future price and the underlying spot price.[5]

Perpetual futures have become an increasingly popular derivatives product globally.[6] Until recently, however, these instruments could not be traded on any U.S. platform. Equity perpetuals remain unavailable to U.S. investors today, trading instead on offshore venues beyond the reach of U.S. regulators.

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[2] As the CFTC has recognized, a perpetual futures contract can constitute a contract of sale for future delivery. *See* CFTC, Order Approving KalshiEX LLC BTCPERP Futures Contract (May 29, 2026) ("BTCPERP Order"); CFTC, Policy Statement Concerning the Listing of Perpetual Contracts, 91 Fed. Reg. 33160 (June 3, 2026) ("CFTC Perpetual Contracts Policy Statement").

[3] CFTC Perpetual Contracts Policy Statement at 33160-61.

[4] *See id.* ("A perpetual contract has no fixed expiration date through which it can achieve convergence. It therefore requires a substitute mechanism to maintain relative price parity with the underlying spot price of the asset that it references. The mechanism that has emerged in the global crypto asset markets is known as a funding rate, or a periodic payment between the long and short sides of the contract, the direction and magnitude of which is generally determined by the difference between the perpetual contract's market price and the underlying asset's spot price.")

[5] *See id.* ("When a perpetual contract trades above the spot price, the traders with long positions make payments while the traders with short positions receive payments; and vice versa. These payments are intended to create an economic incentive for market participants to arbitrage away the price differential by opening positions on whichever side of the market is accruing the payments. In this way, the funding rate is designed to keep closely aligned a perpetual contract's price to the underlying asset's price and functions as a replacement to the traditional expiration-based convergence mechanism upon which a futures contract typically relies.")

[6] *See id.* ("Perpetual contracts have become a dominant form of crypto derivative trading in global markets.")

The Contracts would bring equity perpetual derivatives within a U.S.-regulated framework for the first time, consistent with the President's Working Group on Digital Asset Markets recommendation that the CFTC and SEC permit eligible market participants to access derivatives, including perpetual contracts, through regulated intermediaries and that the agencies use existing exemptive and interpretative authorities to provide near-term clarity for innovative derivatives products.[7] In the case of perpetuals that reference a single underlying equity security or ETF share, approving these contracts would subject them and market participants to the security futures regulatory framework, which is jointly overseen by the SEC and the CFTC, and includes a broad array of safeguards, such as centralized clearing, cross-market surveillance, and supervisory and enforcement authority under the CEA and Exchange Act.

II. The Contracts

As described above, the Contracts are cash-settled, perpetual futures contracts, each of which references a single underlying equity security or ETF share. Because each Contract is a futures contract that references a single security, each Contract is a "security futures product" within the meaning of the CEA and Exchange Act, subject to the joint jurisdiction of the Commission and the SEC.[8]

The Contracts covered by this submission reference the most liquid U.S.-listed equity securities and ETFs that satisfy CDE's listing standards, set forth in Rule 1203 of the Exchange Rulebook (each, a "Reference Security," and collectively, the "Reference Securities"), with the AAPL Single Stock Perpetual Future set forth in Appendix B serving as the representative specification. CDE set forth, in Submission No. 2026-61, listing standards with robust, objective criteria that limit the potential universe of underliers to the most actively traded, liquid equity securities and ETF shares.[9] CDE confirms that these Contracts are in accordance with such listing standards.

The Exchange, which is designated as a contract market ("DCM") by the CFTC and notice registered as a national securities exchange with the Securities and Exchange Commission ("SEC") for the sole purpose of trading security futures products, accordingly submits the Contracts for the Commission's review and approval under Section 5c(c)(1) of the Act and Regulation 41.23(b). As set forth in this submission, the Contracts are not inconsistent with the CEA or the Commission's regulations, and therefore the Commission should approve the Contracts.[10]

a. Equity and ETF Perpetuals

Highly liquid equity securities and ETF shares are natural underliers for perpetual futures. A perpetual contract on an individual equity or ETF share eliminates the roll cost and roll-date basis risk that come with rolling a position in a dated future from one expiration to the next. The underlying securities for the Contracts meet the Exchange's listing standards, which restrict the

[7] *See id.* (citing President's Working Group on Digital Asset Markets, Strengthening American Leadership in Digital Financial Technology (July 30, 2025), available at https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf).

[8] A "security futures product" is defined as "a security future or any put, call, straddle, option, or privilege on any security future." 15 U.S.C. § 78c(a)(56); 7 U.S.C. § 1a(45). A "security future," in turn, is generally defined as "a contract of sale for future delivery of a single security or of a narrow-based security index, including any interest therein or based on the value thereof," subject to certain exceptions. 15 U.S.C. § 78c(a)(55); 7 U.S.C. § 1a(44).

[9] CDE submitted these listing standards for Commission approval pursuant to CFTC Regulation 41.24(b). In addition, CDE filed these listing standards with the SEC in accordance with Section 19(b)(7) of the Exchange Act and Rule 19b-7 thereunder.

[10] *See* 17 C.F.R. § 40.5(b).

eligible universe of underliers to the most actively traded U.S.-listed equities and ETF shares, selected precisely because their depth and liquidity make them well suited to support a continuously traded, funding-based instrument. A thick, active market in the underlying share means the reference price used to calculate funding at each interval is difficult to move and reflects a genuine consensus value, rather than a thinly traded quote susceptible to distortion.

b. Funding Rate

As described in Rule 1212 of the Exchange Rulebook, the Contracts' funding rate is calculated hourly by measuring the difference between the Contract's mark price and the Reference Security's spot price (derived from a Reference Security-specific Index that is live 8:00 p.m. ET Sunday to 5:00 p.m. ET Friday) every three minutes, averaging those readings, and applying a smoothing weight against the prior hour's rate, subject to a cap of plus or minus 0.10% per hour. Depending on whether the Contract trades above or below the Reference Security's spot price, longs pay shorts or shorts pay longs, respectively. In accordance with Rule 1212 of the Exchange Rulebook, these payments are aggregated at the time of mid-day and end-of-day margin runs and settled in cash through the clearinghouse. No funding rate is published for any hour in which the market is closed, paused, or halted.

This design is consistent with the Commission's guidance on perpetual contracts. The CFTC's Perpetual Contracts Policy Statement explains that a funding mechanism of this kind functions as the substitute for the expiration-based convergence a dated future relies on, and that the reference price must remain reliable at every funding interval for as long as the contract is outstanding.[11] The Contracts' frequent, short-interval sampling and their exclusion of funding during any hour when the market is inactive are directed at exactly that requirement, which is ensuring funding is never calculated against a stale or unavailable reference.

c. Spot Market Index

As described in Rule 1211 of the Exchange Rulebook, each Reference Security's spot price will be derived from a Reference Security-specific index calculated by CDE. Each Reference Security-specific index is calculated once per second from direct institutional market-data feeds covering the Pre-Market Session (4:00 a.m. ET – 9:30 a.m. ET), Regular Trading Hours (9:30 a.m. ET – 4:00 p.m. ET), the After-Hours Session (4:00 p.m. ET – 8:00 p.m. ET), and the Overnight Session (8:00 p.m. ET – 4:00 a.m. ET), so that a price is maintained on a continuous basis across each Contract's trading window. The methodology validates each contributing input for freshness, discards outliers, and resolves the remaining prices on a median basis, which limits the influence of any single source on the Index value. Where inputs are insufficient, the methodology falls back to a defined reference price.

d. Trading Hours

The Contracts' trading hours fall entirely within the availability of the pricing reference used to calculate funding. The Contracts trade from Sunday at 8:00 p.m. ET through Friday at 5:00 p.m. ET. As set forth in Rule 1211 of the Exchange Rulebook, the Reference Security-specific Index from which the Contracts' funding rate is derived is itself live across that identical window. As a result, there is no period in which the Contracts trade without a live, continuously updated price for the corresponding Reference Security. No funding rate is published for any hour in which the

[11] CFTC Perpetual Contracts Policy Statement at 33161.

market is closed, paused, or halted, so funding is calculated only when both the Contract and its pricing reference are active.

This design reflects Commission guidance. The Commission has explained that the "presence, or absence, of continually available spot price data" is relevant to how a perpetual contract should be structured, and that a perpetual's reference price must remain reliable at every funding interval for as long as the contract is active.[12] By aligning the Contracts' trading hours with the operating window of the Reference Security-specific Index, the Contract ensures that a live, reliable reference price is available for the entire period in which funding may be calculated.

III. Security Futures Regulatory Framework

Each Contract is a perpetual futures contract that references a single underlying security. The CFTC has expressly recognized that perpetual futures contracts can constitute contracts of sale for future delivery.[13] A contract of sale for future delivery of a single security is a "security future" under the CEA and Exchange Act, and its listing and trading fall within the jurisdiction of the CFTC and SEC. Each Reference Security satisfies the eligibility requirements of Regulation 41.21(a): it is registered pursuant to Section 12 of the Exchange Act; it is common stock or an ETF share, which the Commissions have jointly determined can underlie a security futures product;[14] and it conforms to the listing standards for security futures products that the Exchange has filed with the CFTC under Regulation 41.24(b) and with the SEC under Section 19(b)(7) of the Exchange Act.

As demonstrated in Appendix C, the Contracts possess the characteristics of futures contracts identified in judicial precedent and Commission guidance.

As set forth in Appendix D, the Contracts satisfy the additional conditions for trading security futures products, including daily market-data reporting, coordinated regulatory trading halts keyed to the underlying security, position limits, and coordinated cross-market surveillance.

This submission is also precisely the procedural path for listing that the Commission has directed for perpetual contracts on equity securities. The Commission has expressly indicated that "perpetual contracts that reference equity securities or narrow-based security indexes, among others, would benefit from review by the Commission and the U.S. Securities and Exchange Commission."[15] By submitting the Contracts as security futures products under Regulation 41.23(b), the Exchange proceeds in the manner the Commission has identified as appropriate for a novel, equity-referenced perpetual.

IV. General Contract Terms and Conditions

As set forth in Appendix B and the Exchange Rulebook, each Contract is a cash-settled perpetual futures contract on a single underlying security, with a standardized contract size and no fixed expiration date. The Contracts are quoted by reference to the price of the corresponding Reference Security, such that a long position gains value as that price rises and loses value as it falls, with the economics reversed for a short position. Positions may be established, adjusted, or closed out through offsetting transactions at any time the Contracts are open for trading. Convergence between each Contract and the Reference Security is maintained through the

[12] BTCPERP Order at 9.
[13] *See id.*; *see also* CFTC Perpetual Contracts Policy Statement.
[14] *See* 74 Fed. Reg. 61380 (Nov. 24, 2009) (Joint Order Modifying the Listing Standards Requirements Under Section 6(h) of the Securities Exchange Act of 1934 and the Criteria Under Section 2(a)(1) of the Commodity Exchange Act).
[15] BTCPERP Order at 9 n.25; CFTC Perpetual Contracts Policy Statement at 33161 n.5.

funding rate mechanism, under which periodic payments—based on the difference between each Contract's mark price and the applicable Reference Security-specific Index—are exchanged between the long and short sides of the Contracts, as detailed in Rule 1212 of the Exchange Rulebook.

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Appendix B

Contracts' Terms and Conditions[16]

Term	Description
Product	AAPL Single Stock Perpetual Future.
Product Type	USD-settled single stock future.
Underlying	AAPL.
Contract Size (Contract Unit)	0.01 x AAPL index.
Displayed Price (Example)	$225.10.
Contract Notional	~$2.25 Contract notional (i.e. ~$225 x 0.01).
Contract Code	AAPL.
Minimum Tick Size and Value	As set forth in Rule 1204(d) of the Exchange Rulebook, Min tick size: $0.01 per share; Min tick value: $0.0001 per Contract or such other min tick size or min tick value identified by the Exchange in a Notice to Participants.
Listed Contracts	1 perpetual Contract.
Clearing	The Contract will be centrally cleared by Nodal Clear, LLC, a derivatives clearing organization registered with the Commission, as central counterparty.
Daily Settlement	As set forth in Rule 1209 of the Exchange Rulebook, Daily Settlement: 4:00 PM ET — 1. 1-min VWAP of futures Contract, rounded to the nearest tradable tick; 2. 1-min TWAP of futures Contract midpoint of the bid/ask, rounded to the nearest tradable tick; 3. if no two-sided market is available during the sixty (60) seconds preceding 16:00 Eastern Time, the Index Price less the difference between the prior day's Index Price and the prior day's Daily Settlement Price.

[16] As discussed above, the AAPL Single Stock Perpetual Future terms and conditions in this Appendix are representative of the other Contracts contemplated by this submission. The corresponding specifications for the other Contracts, including those referencing ETF shares, are identical in structure and differ only as to the identity of the Reference Security and security-specific parameters (e.g., Contract Code, Contract Notional, etc.).

Term	Description
Last Trading Day	There is no scheduled last trading day for this perpetual Contract. Any wind-down, termination, or delisting of the Contract shall be conducted in accordance with Rule 1214 of the Exchange Rulebook.
Cash Adjustment (Funding)	As set forth in Rule 1212 of the Exchange Rulebook. Procedure: Funding Payments will be calculated every hour by the Clearing House. The Clearing House will aggregate each account's Funding Payments at the time of mid-day and end-of-day margin runs and disseminate them to all clearing firms, who will then adjust accounts accordingly via a cash adjustment. This process will occur during the regular mark to market and will be shared in the Clearing House postings file. Funding Payment Calculation: Funding Rate * Open Position Quantity * Contract Multiplier * Futures Mark Price * -1. Funding Rate Calculation: The Funding Rate calculation takes the difference between the Mark Price and the Index Price every three minutes over an hour (twenty 3-minute periods), averaged and scaled down by a factor of 24 to represent the hourly premium. A smoothing factor is applied: current hour's premium at 75% weight and previous hour's funding rate at 25% weight. The resulting Funding Rate is subject to a clamp of ±0.10% (±10 bps) per hour. Formula: clamp(Premium × α + Previous Funding Rate × (1 − α), −0.10%, +0.10%), where Premium = TWAP([(Mark Price – Index Price) / Index Price / 24], 1 hour, 3 min); α = 0.75. NOTE: If the futures market is CLOSED, PAUSED, or HALTED for an ENTIRE hour, then there will be no Funding Rate published for that hour.
Price Fluctuation Limits	As determined and published by the Exchange: Price Limits.
Underlying Market Halt	As set forth in Rules 1204(d) and 1207 of the Exchange Rulebook.
Market-Wide Halt	As set forth in Rules 1204(d) and 1207 of the Exchange Rulebook.
Position Limits, Position Accountability	As set forth in Rule 1208 of the Exchange Rulebook.

Term	Description
Block Trade Eligible	Yes.
Trading Hours	Sunday 8:00 PM ET – Friday 5:00 PM ET.
Spot Market Index	CDE's Reference Indices, as set forth in Rule 1211 of the Exchange Rulebook.
Initial Margin	As determined and published by the Exchange in accordance with the Rulebook.

Corporate Actions Handling

Corporate actions, including their handling, will be communicated to market participants in advance and handled in accordance with Rule 1213 of the Exchange Rulebook, which sets forth how the Exchange will handle specific corporate actions.

In accordance with Rule 1213 of the Exchange Rulebook, for certain corporate actions that change the underlying share economics, CDE adjusts the holder's position. Such adjustments are intended solely to preserve, as nearly as practicable, the holder's existing economic exposure and constitute a continuation of the holder's existing position rather than the establishment of a new position, liquidation of an existing position, or replacement of a Contract.

In connection with any corporate action, the Exchange reserves the right to halt the impacted product as necessary to perform any required actions in accordance with the Exchange Rulebook. Any such adjustments are effected pursuant to the original terms of the Contract and are intended, where applicable, to preserve existing economic exposure rather than create, terminate, or replace economic exposure.

coinbase DERIVATIVES

Appendix C

Further Considerations Regarding the Contracts

I. The Contracts are Security Futures Products

The Contracts are security futures products, subject to the joint jurisdiction of the Commission and the SEC. That cash-settled perpetual futures contracts on equity securities and ETF shares are security futures is consistent with Commission guidance and is compelled by the statutory framework. A "security future" is generally defined as "a contract of sale for future delivery of a single security or of a narrow-based security index, including any interest therein or based on the value thereof," subject to certain exceptions.[17] As the CFTC has recognized, a perpetual futures contract can constitute a contract of sale for future delivery.[18] Accordingly, it follows that these Contracts—perpetual futures contracts on a single equity security or ETF share—are likewise contracts of sale for future delivery of that security, and therefore security futures within the meaning of the Exchange Act and the CEA.

The Commission's own precedent reaffirms this conclusion. In approving the first domestic perpetual contract for listing (a cash-settled contract on bitcoin), the Commission found that a perpetual contract exhibits the features long associated with futures contracts under judicial precedent and Commission guidance.[19] The Commission further held that a contract's indefinite duration does not undermine its categorization as a futures contract, and courts have recognized that futures contracts "generally have a specified future delivery date . . . [but] that date is not always specified thus allowing some futures contracts to be of 'indefinite duration.'"[20] In addition, the Commission has expressly recognized that a perpetual contract's funding mechanism can substitute for the "traditional expiration-based convergence mechanism upon which a futures contract typically relies."[21]

These Contracts are no different in this respect. In every aspect relevant to the futures categorization, they exhibit the same features as other perpetual contracts that currently trade on DCMs. Specifically, each Contract has a fixed, standardized contract size; each is cleared through a registered derivatives clearing organization, which acts as a central counterparty and sets margin; each maintains convergence with the spot price through a funding mechanism; and each settles exclusively in cash. Accordingly, because each Contract references a single security, it is a "security futures product" subject to the joint jurisdiction of the Commission and the SEC.

II. Risk Mitigation and Hedging Utility

The Contracts serve critical risk-mitigation functions for market participants with economic exposure to individual large-capitalization U.S. companies and, in the case of Contracts referencing ETF shares, to the sectors or indexes those funds track. The Reference Securities are limited by the Exchange's listing standards to the most liquid U.S.-listed equity securities and ETF shares, trading in the largest and most liquid securities market in the world.

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[17] 15 U.S.C. § 78c(a)(55); 7 U.S.C. § 1a(44). A "security futures product," in turn, is defined as "a security future or any put, call, straddle, option, or privilege on any security future." 15 U.S.C. § 78c(a)(56); 7 U.S.C. § 1a(45).
[18] *See* BTCPERP Order; CFTC Perpetual Contracts Policy Statement.
[19] *See* BTCPERP Order.
[20] *See id.*; *see also Standard Forex II*, 1996 WL 435440, at *10, 1996 U.S. Dist. LEXIS 14778, at *29.
[21] *See* CFTC Perpetual Contracts Policy Statement at 33161.

In many cases, market participants' exposure to the Reference Securities is continuous and indefinite. A hedging instrument that itself never expires is a better fit for this reality in many contexts than dated futures, which require the holder to unwind, re-establish their position, and absorb roll cost and roll-date basis risk. Because the Contracts do not expire, trading interest is not split across separate expirations but instead sits in one continuously traded instrument, concentrating liquidity.

Further, the absence of a fixed expiration date also permits market participants to adjust a hedge precisely as the underlying exposure changes, without any potential mismatch that can arise when a dated contract's remaining tenor no longer lines up with the exposure being hedged. Accordingly, these Contracts are well suited to hedging exposures that build or unwind gradually, such as a dealer's inventory, where a fixed-expiration product would otherwise require re-sizing through additional trades.

III. The Nature of U.S. Securities Markets Supports the Safe Functioning of the Contracts

The Commission has indicated that "the market attributes of the asset class underlying a perpetual contract – including the presence, or absence, of continually available spot price data – may be relevant" to its regulatory treatment and to compliance considerations,[22] and that, for a perpetual contract, the settlement reference "must be reliable at every funding interval, without interruption, for as long as the contract remains active."[23] The markets for the Reference Securities bear directly on both points: they are among the most liquid and most heavily regulated equity markets in the world, and they supply the continuously reliable pricing data necessary to ensure the safe functioning of the Contracts.

a. The Reference Securities Trade in the Deepest, Most Liquid Securities Market in the World

In the BTCPERP Order, the Commission found that the bitcoin spot market's depth, breadth, and continuous, broadly distributed trading allowed the perpetual contract's funding mechanism to function consistently with DCM Core Principle 3 by protecting against settlement payments "being calculated against stale or synthesized prices that are less reliable convergence signals."[24] Those protective attributes are present here. The Exchange's listing standards limit the universe of potential underliers to the most liquid U.S.-listed equity securities and ETF shares: large-capitalization issuers and broadly-held funds whose shares trade at substantial daily volumes, with tight spreads and deep two-sided books. Distorting the price of such a security in an effort to impact the funding or settlement calculation would therefore require moving a highly liquid, heavily surveilled market at prohibitive cost and with a high probability of detection.

Further, each Reference Security trades on SEC-registered national securities exchanges subject to a comprehensive regulatory regime. This regime includes, for example, Regulation NMS and the consolidated tape, which produce a reliable, publicly available national best bid and offer and official closing prices; the exchanges' and FINRA's trade-practice surveillance; the limit up-limit down and market-wide circuit-breaker mechanisms, which constrain aberrant single-name and market-wide price moves; Regulation SHO's short-sale requirements; and the anti-manipulation and anti-fraud provisions of Sections 9 and 10(b) of the Exchange Act and Rule 10b-5, backed

[22] *See* BTCPERP Order at 9.
[23] *See* CFTC Perpetual Contracts Policy Statement at 33161.
[24] BTCPERP Order at 7.

by the issuer-reporting obligations of Section 12 of the Exchange Act or the Investment Company Act of 1940 and the rules promulgated thereunder. Because the Reference Security-specific Index that anchors each Contract's funding rate is itself derived from prices formed on these regulated exchanges, that Index reflects the output of a comprehensively regulated price-formation process.

b. The Exchange has Established Safeguards for the Contracts

The Exchange has adopted a series of safeguards specifically designed to address any potential manipulation risk inherent in a single-name reference and to ensure that the Contracts' funding and settlement are anchored to a reliable, continuously validated price signal.

First, the Contracts are limited to the most liquid Reference Securities, each of which satisfies the Exchange's listing standards and trades in deep, two-sided markets where the cost of moving the market is greatest and the probability of detection highest. Any activity designed to manipulate the prices of the Reference Securities would likely require large-scale trading activity that would raise red flags and likely be conspicuous to the Exchange's surveillance systems and those of other self-regulatory organizations and regulators.

Second, in accordance with regulatory requirements and reflected in Appendix B and the Exchange Rulebook, trading in each Contract is halted at all times that a regulatory halt is in effect for the underlying Reference Security, so that the Contract cannot trade or generate funding or settlement values against a security whose own market has been halted for regulatory reasons.

Third, consistent with the security futures product framework, the Exchange maintains coordinated surveillance, a shared audit trail, and coordinated regulatory trading halts with the national securities exchanges on which the Reference Securities trade, as certified in the transmittal letter and described in Appendix D, enabling cross-market detection of manipulation and insider trading that spans the cash and derivatives markets. This inter-market surveillance capability allows the Exchange to detect and respond to potential efforts to manipulate the Contracts, reinforcing the integrity of the market for the Contracts.

c. The Funding and Settlement of the Contracts Facilitates the Safe Functioning of the Contracts

The Contracts' funding and settlement mechanics are designed to ensure that a reliable reference is available whenever a funding or settlement value is calculated. As described in Rule 1209 of the Exchange Rulebook, the daily Settlement Price is struck at 4:00 p.m. ET (the close of the Reference Security's regular trading session) when an official closing price is available and the reference is liquid and reliable. Each Contract's funding rate, in turn, is calculated using the corresponding Reference Security-specific Index, which is live across the same window in which the Contract itself trades, ensuring that funding is derived from a continuously updated, live reference price throughout the life of the Contract.

This design is consistent with the Commission's guidance on perpetual contracts. As discussed above, the CFTC has explained that a perpetual contract's reference price must remain reliable at every funding interval for as long as the contract is active, and the BTCPERP Order likewise approved a funding mechanism anchored to a continuously available, live reference price.[25] By striking the daily Settlement Price against the Reference Security's official close and calculating

[25] *See* BTCPERP Order; CFTC Perpetual Contracts Policy Statement.

funding against a live index throughout the Contract's trading window, the Contracts satisfy that same standard and ensure continuous reference reliability.

Appendix D

Compliance with Core Principles

Trading in the Contracts will be subject to the Rules of the Exchange, which are designed to satisfy the DCM Core Principles set forth in Section 5(d) of the Act and Part 38 of the Commission's regulations, as well as the additional listing standards for security futures products set forth in Rule 1203 of the Exchange Rulebook. The Exchange has reviewed the DCM Core Principles and the following describes the Contracts' compliance with the Core Principles most relevant to the Contracts.

I. Core Principle 2 – Compliance with Rules

Trading in the Contracts is subject to the Exchange Rulebook including Chapter 5, which prohibits fraud, non-competitive trading, market manipulation and abusive and disruptive trade practices. Additionally, as with all contracts traded on the Exchange, trading will be subject to monitoring and surveillance by the Market Regulation Department, which has the authority to investigate and enforce Exchange Rules, as described in Chapter 7. In addition, the Contracts will be subjected to the provisions of Chapter 12, which specifically address security futures products.

II. Core Principle 3 – Contracts Not Readily Susceptible to Manipulation

As discussed in Appendix C, the specific attributes of the Contracts render them not readily susceptible to manipulation. In particular, in accordance with the Exchange's listing standards, the Contracts are limited to the most liquid Reference Securities, whose prices are formed in the deepest, most transparent, and most heavily regulated equity market in the world; the Reference Security-specific Index against which funding is calculated is derived from prices formed on SEC-registered national securities exchanges; and trading in each Contract is halted whenever a regulatory halt is in effect for the underlying Reference Security.

The Exchange Rulebook requires that each Index Price have a transparent, objective methodology designed to reflect the price of the Reference Security in a manner that is reliable and resistant to manipulation. Further, as set forth in Rule 1211 of the Exchange Rulebook, the Reference Security-specific Index methodology incorporates several features designed to limit susceptibility to manipulation and provides multiple independent layers of manipulation resistance. Specifically, this methodology incorporates independent institutional inputs, as Pyth—one of the indices' data sources—aggregates price data contributed directly by institutional participants including trading firms, exchanges, and market makers. Similarly, the indices' other data source, dxFeed, independently sources overnight prices. Accordingly, influencing the Index through the direct-feed layer would require distorting contributed prices at the source rather than executing at a single venue.

In addition, in accordance with Rule 1211 of the Exchange Rulebook, any input deviating more than 5% from the median of fresh inputs is discarded before the Index is computed, so an anomalous or manipulated print is removed rather than averaged in. The Index methodology also incorporates median-based resolution—where more than one input survives, the Index is the median, which caps the influence of any single input. Further, where the surviving input set is thin, the Index is validated against, blended with, or replaced by an exponential moving average

("EMA")[26] of the Contract's own mark price. Due to this EMA anchoring, a short-lived price dislocation cannot move the Index far or fast; the EMA is a smoothed temporal construct and mean-reverts any transient move.

Similarly, the calculation used for the hourly funding rate, as detailed in Rule 1212 of the Exchange Rulebook, makes any attempt to manipulate the funding rate mechanism very difficult due to frequent short-interval sampling, smoothing factors, and the cap on the funding rate. This design, along with the construction of the Reference Security-specific Index set forth in Rule 1211 of the Exchange Rulebook, controls against potential manipulation efforts to artificially drive futures and spot prices away from each other in an attempt to earn larger funding payments.

In addition, and as certified in this submission and pursuant to Exchange Rule 1203, the Exchange conducts coordinated surveillance on the markets where the Reference Securities trade, enabling cross-market detection of manipulation and insider trading that spans the cash and derivatives markets. Together, these features supply a reliable, continuously validated reference and address manipulation risk associated with a single-name reference.

Given all of these factors, the constraints imposed by the Exchange's listing standards, and the manner in which the Index is calculated, it would be incredibly difficult to manipulate the price of the underlying market in a way that would affect the Contracts. Given this oversight, the Contracts are not readily subject to manipulation.

III. Core Principle 4 – Prevention of Market Disruption

Chapter 5 of the Rulebook prohibits participants from manipulating, distorting the price of, and disrupting the settlement process of the Contracts. As with all contracts traded on the Exchange, trading in the Contracts will be subject to monitoring and surveillance by the Market Regulation Department. Further, trading in the Contracts shall be subject to price fluctuation limits, as reflected in Appendix B and the Exchange Rulebook.

Trading in the Contracts will be halted whenever a regulatory halt is in effect for the underlying Reference Security. This is an additional protection against disorderly trading during any period in which the primary market for the Reference Security is unavailable.

IV. Core Principle 5 – Position Limitations or Accountability

Consistent with CFTC Regulation 41.25(b)(3), the Contracts are subject to position limits, as set forth in Rule 1208 of the Exchange Rulebook.

V. Core Principle 7 – Availability of General Information

The Exchange shall publish on its website and in its Rulebook the specifications, terms, and conditions of the Contracts, and shall make publicly available information regarding the Rules and mechanisms for executing transactions on the Exchange.

VI. Core Principle 8 – Daily Publication of Trading Information

[26] The EMA is a one-hour EMA, 30-minute EMA or such other EMA identified by the Exchange in a Notice to Participants.

The Exchange shall publish on its website on a daily basis the trading volumes, open interest, and price information for the Contracts, and shall report daily market data in accordance with Part 16 of the Commission's regulations, as required by CFTC Regulation 41.25(b)(1).

VII. Core Principle 9 – Execution of Transactions

The Contracts shall be listed for trading on the Exchange's trading system, which provides for efficient, competitive, and open execution of transactions.

VIII. Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse, including through the coordinated cross-market audit trail.

IX. Core Principle 11 – Financial Integrity of Transactions

The Contracts shall be cleared by Nodal Clear, LLC, a CFTC registered derivatives clearing organization subject to the CFTC regulations related thereto.

X. Core Principle 12 – Protection of Markets and Market Participants

Chapters 4 and 5 of the Rulebook require all market participants, including futures commission merchants carrying customer accounts, to observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade, and prohibit, among other things, fraud, non-competitive trading, market manipulation, and abusive and disruptive trade practices. Consistent with Section 6(h)(3)(F) of the Exchange Act, only intermediaries subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act may solicit or accept orders in the Contracts. As with all contracts traded on the Exchange, trading will be subject to monitoring and surveillance by the Market Regulation Department.

XI. Core Principle 13 – Disciplinary Procedures

Chapter 7 of the Rulebook sets forth the rules and procedures for the investigation, enforcement, and sanctioning of persons that violate the Exchange's Rules.

XII. Core Principle 14 – Dispute Resolution

Disputes related to the Contracts are governed by Chapter 8 of the Rulebook, which provides for arbitration procedures overseen by the National Futures Association.

September 18, 2026

SUBMITTED VIA CFTC PORTAL
Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Listing of Security Futures Product

Re: KalshiEX LLC—Commission Regulations 40.3(a) and 41.23(b), Voluntary submission of new security futures products for Commission review and approval regarding the Initial Listing of Perpetual SFPs on the Underlying Securities Identified in the Schedule of Contracts (Appendix A)

Dear Sir or Madam,

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "Act" or "CEA") and Regulations 40.3(a) and 41.23(b) of the Commodity Futures Trading Commission (the "Commission" or "CFTC"), KalshiEX LLC ("Kalshi" or the "Exchange"), a designated contract market ("DCM") registered with the Commission, hereby voluntarily submits the perpetual security futures contracts ("Perpetual SFPs") identified in the Schedule of Contracts set forth in Appendix A (each, a "Contract" and, collectively, the "Contracts"), each of which is a security futures product on a single equity security (each, an "Underlying Security"), for Commission review and approval. The Contracts share a single set of terms and conditions, set forth in Appendix A, and differ from one another only in the Underlying Security to which each refers and in the Minimum Unit of trading, each as specified in the Schedule of Contracts. The Exchange intends to list the Contracts on a continuous basis and intends to list the Contracts shortly following approval by the Commission.

Each Contract is a security futures product within the meaning of Section 1a(45) of the Act. Kalshi is notice-registered with the Securities and Exchange Commission (the "SEC") as a national securities exchange pursuant to Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act") for the purpose of trading security futures products. The Exchange has filed with the SEC the information required by Section 19(b)(7) of the Exchange Act and Rule 19b-7 thereunder with respect to the Contracts. This submission includes the certifications required by Commission Regulations 41.22 and 41.23.

Along with this letter, Kalshi submits the following documents:

- A concise explanation and analysis of the Contracts;
- Certifications, including the certifications required by Commission Regulation 41.22;
- Appendix A with the Contracts' Terms and Conditions and the Schedule of Contracts;
- Appendix B with enhanced trading prohibitions applicable to the Contracts;
- Appendix C with further considerations regarding the Contracts;
- Appendix D with information regarding the Underlying Securities and the Underlying Price Index for the Contracts;
- Appendix E describing the Contracts' compliance with Part 41 of the Commission's regulations and the Core Principles;
- Appendix F, confidential in part, with further information on the Contracts' compliance with the Core Principles; and
- A request for FOIA confidential treatment.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Xavier Sottile
Head of Markets
KalshiEX LLC
xsottile@kalshi.com

KalshiEX LLC
Official Product Names: See Schedule of Contracts (Appendix A)
Rulebook: See Schedule of Contracts (Appendix A)
Summary: Perpetual Security Futures on the Underlying Securities Identified in the Schedule of Contracts
September 18, 2026

CONCISE EXPLANATION AND ANALYSIS OF THE PRODUCT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION'S REGULATIONS THEREUNDER

Pursuant to Commission Regulation 40.3(a)(4), the following is a concise explanation and analysis of the product and its compliance with the Act, including the relevant Core Principles (discussed in Appendices E and F), and the Commission's regulations thereunder. Capitalized terms not defined herein have the meanings assigned to them in the Exchange Rulebook.

I. Introduction

Each Contract is a Perpetual SFP on an Underlying Security: in the case of fifty-five of the Contracts, the common stock of a single issuer, and in the case of the remaining three, American depositary receipts representing common or ordinary shares ("ADRs") or the shares of an exchange-traded fund, as identified in the Schedule of Contracts. The Contracts are identified, together with their respective Underlying Securities, primary listing exchanges, and Minimum Units, in the Schedule of Contracts set forth in Appendix A (the "Schedule of Contracts"). The Contracts share a single set of terms and conditions, set forth in Appendix A, and differ from one another only in the Underlying Security to which each refers and in the Minimum Unit of trading. Except where the context otherwise requires, references in this submission to "the Contract" are to each Contract identified in the Schedule of Contracts, and references to "the Underlying Security" are to the Underlying Security of that Contract.

What is a perpetual future? A perpetual future is a cash-settled futures contract with no fixed expiration or delivery date. Rather than converging to a deliverable cash price on a stated settlement day, it remains economically tethered to a continuously observed reference price through a periodic funding mechanism: at regular intervals, holders of the side trading at a premium to the reference price pay holders of the side trading at a discount, so that any divergence between the contract's "Mark Price" (as determined pursuant to Exchange Rule 14.12(a)–(c)) and the underlying reference price generates an offsetting carrying cost that draws the two back into alignment. The instrument therefore functions in a manner economically similar to an indefinitely renewing near-dated future, allowing a participant to hold a position open for as long as the underlying exposure persists without rolling from one expiration to the next.

What is a Perpetual SFP? A "security future" is a contract of sale for future delivery of a single security or of a narrow-based security index.[1] A security future, together with any put, call, straddle, option, or privilege on any security future, is a "security futures product,"[2] a category of instrument that Congress authorized in the Commodity Futures Modernization Act of 2000 ("CFMA") and placed under the joint jurisdiction of the Commission and the SEC.[3] Security futures on single equity securities traded on Commission-regulated exchanges from 2002 through 2020, most prominently on OneChicago, LLC, under the same Part 41 framework invoked by this

[1] 7 U.S.C. § 1a(44); 15 U.S.C. § 78c(a)(55)(A).

[2] 7 U.S.C. § 1a(45); 15 U.S.C. § 78c(a)(56).

[3] See CEA Section 2(a)(1)(D), 7 U.S.C. § 2(a)(1)(D); Exchange Act Sections 6(g) and 6(h), 15 U.S.C. § 78f(g), (h).

submission.[4] The Contract combines that established product category with the perpetual structure that the Commission approved in its order approving the Exchange's BTCPERP contract:[5] rather than expiring and cash-settling on a fixed date, the Contract remains economically tethered to the price of the Underlying Security through a daily funding mechanism, and positions terminate only by offset or upon the Exchange's ultimate delisting of the Contract.

Why are these important? For hedgers whose economic exposure is itself continuous or indefinite, such as market makers and authorized participants for exchange-traded products holding the Underlying Security (among them single-stock leveraged and inverse ETPs that today obtain their exposure principally through bilateral over-the-counter swaps), options market makers carrying continuous delta exposure, holders of concentrated equity positions, securities lenders and borrowers, and long/short investors, a perpetual is structurally superior to a strip of dated futures: it eliminates roll cost and roll-date basis risk, tracks the underlying more tightly and continuously through the funding mechanism, and concentrates liquidity in a single instrument rather than fragmenting it across tenors. Perpetual futures have become an important form of derivative and a significant locus of price discovery in the markets in which they have emerged, and perpetual contracts referencing U.S. equities (including the Underlying Security) now trade on offshore venues wholly outside the U.S. regulatory perimeter, without robust trade surveillance, know-your-customer verification, central clearing, or coordinated oversight with the U.S. cash equity market.[6] Listing a perpetual security future on a CFTC-registered DCM, cleared by a CFTC-registered derivatives clearing organization ("DCO"), and subject to the joint CFTC-SEC security futures framework brings this economically significant activity into a regulated environment featuring trade surveillance, know-your-customer verification, federally prescribed customer margin, central clearing, disciplinary procedures and dual oversight by the Commission and SEC consistent with the CEA and the Exchange Act. Listing a regulated domestic perpetual security future thus advances the Commission's stated objective of facilitating novel derivative products subject to appropriate safeguards.[7]

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[4] OneChicago, LLC commenced trading in single-stock futures on November 8, 2002 and ceased trading operations on September 18, 2020. Its withdrawal from registration as a national securities exchange under Section 6(g) of the Exchange Act became effective September 30, 2020. See Exchange Act Release No. 34-91117, File No. 10-133 (Feb. 11, 2021) (order granting withdrawal of registration).

[5] Order Approving KalshiEX LLC BTCPERP Futures Contract (CFTC May 29, 2026); see CFTC Press Release No. 9240-26 (May 29, 2026). See also Policy Statement Concerning the Listing of Perpetual Contracts, 91 Fed. Reg. 33,160 (June 3, 2026).

[6] Perpetual contracts referencing U.S. equities, including many of the Underlying Securities, are currently offered on venues outside the U.S. regulatory perimeter. On Hyperliquid, cash-settled perpetual contracts referencing single U.S. equities, including many of the Underlying Securities, are deployed by independent builders, including TradeXYZ (trade.xyz) and Felix, under the permissionless HIP-3 market-deployment standard introduced in November 2025; these contracts trade continuously, on a self-custodial basis, with leverage of up to 20x and without centralized customer onboarding. See Comment Letter of the Hyperliquid Policy Center re File No. S7-2026-21 (Aug. 24, 2026) (reporting more than $480 billion in notional trading volume across HIP-3 markets in the ten months following launch, with approximately $4 billion in open interest). Separately, Backed Finance AG issues tokenized representations of a number of the Underlying Securities under its "xStocks" program; its tokenized Tesla share, "Tesla xStock" (TSLAx, ISIN US88160R1014), for example, launched June 30, 2025 and is issued as both a Solana SPL token and an Ethereum ERC-20 token, trades on non-U.S. venues including Kraken, and is expressly unavailable to U.S. persons. See Backed Finance AG, Tesla xStock (TSLAx) product documentation, assets.backed.fi; Kraken, Tesla (TSLAx) tokenized stock, kraken.com/xstocks/tslax (warning banner reading "xStocks not available in the USA. Geo restrictions apply.").

[7] See Memorandum of Understanding Between the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission Regarding Harmonization in Areas of Common Regulatory Interest 1 (Mar. 11, 2026), https://www.sec.gov/files/mou-sec-cftc-2026.pdf ("the [SEC and CFTC] will strive, subject to applicable law, to clarify, coordinate, and harmonize policies and practices wherever feasible and relevant, including

Perpetuals are appropriate for securities such as the Underlying Securities. Some commodities have cash prices that are regional, seasonal, and grade- and location-specific, as well as constrained, seasonal deliverable supply. In some cases, parties need to hedge specific, date-certain physical exposure and rely on the calendar term structure of dated contracts (and the storage and seasonality information it encodes) to do so; collapsing that term structure into a single perpetual could damage the calendar-spread signals and delivery-month matching that make some futures useful for bona fide hedging. A large-capitalization, exchange-listed equity security presents none of these features. Each Underlying Security is a continuous ownership claim with no delivery date, storage constraint, or seasonality; its cash market is deep, broadly dispersed, continuously quoted, and unified nationally under Regulation NMS; and the term structure of a dated single-stock future encodes only financing and dividend expectations, economics that the Contract's funding mechanism and the dividend and corporate-action provisions of the Exchange Rulebook carry directly. The analysis that follows applies to each Contract. Each Underlying Security is a large-capitalization U.S. exchange-listed equity security that the Exchange has determined satisfies the security futures listing standards codified in Chapter 14 of the Rulebook, and the Contracts are uniform in every respect other than the identity of the Underlying Security and the Minimum Unit of trading. The Exchange has accordingly presented its analysis on a consolidated basis rather than repeating an identical analysis for each of the Contracts.

Further information about the Contracts, including an analysis of its risk mitigation and price basing utility, as well as additional considerations related to the Contract, is included in Appendices C, D and E and Appendix F (confidential in part).

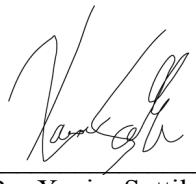
General Contract Terms and Conditions: As outlined in Rule 14.11 of the Rulebook and the Contract's terms, trading shall be available during the trading hours set forth in Appendix A. The Contracts' trading hours are from 6:00 PM ET on Sunday through 5:00 PM ET on Friday, with a daily one-hour maintenance window from 5:00 PM ET to 6:00 PM ET and subject to the holiday and early-closure schedule of the U.S. equity cash market and to any trading halt imposed by the Exchange or coordinated with the primary listing exchange for the Underlying Security. Members will be charged fees in accordance with Rule 3.13 of the Rulebook. Fees are charged in such amounts as may be revised from time to time to be reflected on the Exchange's Website. All instructions on how to access the Underlying are non-binding and are provided for convenience only and are not part of the binding Terms and Conditions of the Contract. They may be clarified at any time. Furthermore, the Contract is a Perpetual SFP with no fixed expiration date, under which all payment obligations are settled in cash. Each Contract represents a continuous obligation to make or receive cash payments based on changes in the Contract's price and periodic funding payments. Positions are marked to market daily at the Settlement Price determined as of the Periodic Transfer Time (the scheduled close of the U.S. equity cash market, ordinarily 4:00 PM ET) and customer margin is collected and maintained in accordance with Part V of Chapter 14 of the Exchange Rulebook at not less than 15.50% of the Current Market Value of each position. During the time that trading on the Contract is open, Members are able to adjust their positions and trade freely. Members may enter and exit positions at any time during trading hours by executing offsetting trades. Members holding long positions profit when the Contract price increases and incur losses when it decreases; Members holding short positions profit when the Contract price decreases and incur losses when it increases. To maintain price convergence with the Underlying Price Index, the Contract employs a once-daily funding mechanism whereby long position holders and short position holders exchange funding payments based on the mean divergence, measured minute-by-minute over the regular trading session of the U.S. equity cash market, between the Contract's traded prices and the Underlying Price Index, as specified in Rule 14.10. A Member's

by . . . closely coordinating and cooperating to remove obstacles where appropriate, to the lawful introduction of novel derivative products . . . .").

gain or loss at any point is equal to the change in the Contract's price since the position was established, multiplied by the Contract Unit (100 shares), plus or minus net funding payments received or paid. Settlement of all payments is made in cash; no physical delivery of the Underlying Security occurs.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. § 7a-2, AND COMMODITY FUTURES TRADING COMMISSION RULES 40.3, 41.22 AND 41.23, 17 C.F.R. §§ 40.3, 41.22, 41.23

The Exchange hereby certifies that: (a) each Underlying Security satisfies the requirements of Regulation 41.21; (b) only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered pursuant to Section 15A(a) of the Exchange Act and the rules and regulations thereunder, except to the extent otherwise permitted under the Exchange Act and the rules and regulations thereunder, may solicit, accept any order for, or otherwise deal in any transaction in or in connection with the Contracts; (c) dual trading in the Contracts is restricted in accordance with Regulation 41.27; (d) trading in the Contracts is not readily susceptible to manipulation of the price of any Contract, nor to causing or being used in the manipulation of the price of any Underlying Security, option on such security, or option on a group or index including such security, consistent with the conditions for trading of Regulation 41.25; (e) processes are in place for coordinated surveillance among the Exchange, any market on which an Underlying Security is traded and other markets on which any related security is traded to detect manipulation and insider trading; (f) an audit trail is in place to facilitate coordinated surveillance among the Exchange, any market on which an Underlying Security is traded and any market on which any related security is traded; (g) processes are in place to coordinate regulatory trading halts between the Exchange and markets on which an Underlying Security is traded and other markets on which any related security is traded; and (h) the margin requirements for the Contracts comply with Regulations 41.43 through 41.48. The Exchange hereby further certifies that the Perpetual SFPs comply with the additional conditions for trading set forth in Regulation 41.25 and comply with the Act and the regulations thereunder. There were no substantive opposing views to the proposal. The Exchange certifies that this submission (other than those portions for which confidential treatment has been requested) has been concurrently posted on the Exchange's website at https://kalshi.com/regulatory/filings. Should you have any questions concerning the above, please contact the exchange at ProductFilings@kalshi.com.



By: Xavier Sottile
Title: Head of Markets
Date: September 18, 2026

Attachments:

Appendix A - Contract Terms and Conditions and Schedule of Contracts
Appendix B - Trading Prohibitions
Appendix C - Further Considerations
Appendix D - The Underlying Securities and Underlying Price Index
Appendix E - Compliance with the Act, Part 41, and the Core Principles
Appendix F - (Confidential in Part) - Additional Compliance with Core Principles
Request for FOIA Confidential Treatment

APPENDIX A—CONTRACT TERMS AND CONDITIONS AND SCHEDULE OF CONTRACTS

Official Product Names: See Schedule of Contracts below
Rulebook: See Schedule of Contracts below

PERPETUAL SFP CONTRACT SPECIFICATIONS

Scope: These rules shall apply to each Contract identified in the Schedule of Contracts set forth at the end of this Appendix A. Each Contract is a separate Perpetual SFP on the Underlying Security specified for it in the Schedule of Contracts, with the Minimum Unit of trading specified there; all other terms and conditions set forth in this Appendix A are common to every Contract. References to "Rules" in this section refer to the Exchange Rulebook.

Underlying: The Underlying for each Contract is the spot price of one (1) share of the equity security specified for that Contract in the Schedule of Contracts (the "Underlying Security"), in U.S. dollars.

Underlying Price Index: As defined in Rule 14.2.

Type: The type of Contract is a Perpetual SFP.

Trading Hours: As set forth in Rule 14.11. The Exchange shall observe the holiday and early-closure schedule of the U.S. equity cash market; on such days the trading schedule, Funding Period, Periodic Transfer Time, and Settlement Price shall be adjusted as provided herein, and the Exchange shall publish a calendar of holidays and early closures.

Contract Unit: As set forth in Rule 14.9(a).

Price Quotation: As set forth in Rule 14.9(b).

Minimum Tick: As set forth in Rule 14.9(c).

Tick Value: A one-tick price movement equals $0.50 per Contract Unit, calculated as the Minimum Tick multiplied by the Contract Unit ($0.005 × 100 shares = $0.50).

Minimum Unit: The minimum unit of trading for each Contract is the fraction of the 100-share Contract Unit specified for that Contract in the Schedule of Contracts.

Block Trades: Block trades in Contracts will be subject in all respects to Rule 5.3(e).

Position Accountability Level: 25,000 "Standard Contract Equivalents," as such term is defined in Rule 14.2. A Person holding a position exceeding the applicable accountability level is subject to the position accountability provisions of Rules 14.23(d) and 14.24 of the Exchange Rulebook.

Position Limits: As set forth in Rule 14.23 of the Exchange Rulebook.

Periodic Transfer Criterion: At each Periodic Transfer Time, the Funding Rate is computed in accordance with Rule 14.10 of the Exchange Rulebook. If the Funding Rate is zero, no Periodic Transfer (as defined in Rule 14.2) is made. If the Funding Rate is positive, long-side holders must pay, and if the Funding Rate is negative, short-side holders must pay, the amount provided in Rule 14.10(e).

Periodic Transfer Time: The "Daily Settlement Time" defined in Rule 14.2.

Premium Computation: As set forth in Rule 14.10(c) of the Exchange Rulebook.

Funding Rate: As set forth in Rule 14.10(d) of the Exchange Rulebook, subject to the other provisions of Rule 14.10.

Cash Market Closed Periods: During the Contract's trading hours, the Contract may trade at times when the U.S. equity cash market is closed, including weekday overnight hours. The Contract does not trade during the weekend closure or the daily maintenance window set forth under Trading Hours, or during any market holiday on which the Exchange's published calendar provides that the Contract does not trade. In all cases, no Premiums are computed while the U.S. equity cash market is closed or as otherwise provided by Rule 14.10(f).

Scheduled Early Closes: See Rule 14.10(f)(4).

Delayed Opens: See Rule 14.10(f)(3).

Intraday Trading Halts: See Rule 14.10(f)(2).

Unscheduled Market Closure: See Rule 14.10(f)(5).

Clearing: The Contracts will be centrally cleared by Kalshi Klear LLC ("Klear" or the "Clearinghouse"), a DCO registered with the Commission, as central counterparty.

Settlement Price: For the purposes of calculating variation margin and Periodic Transfer obligations, the Settlement Price (which is the "Daily Settlement Price" for purposes of the Exchange Rulebook, including Rule 14.12) shall be determined according to the following tiered methodology, applied in order. If a Settlement Price cannot be determined under any of the below Tiers or by reference to the Underlying Price Index (because it is unavailable or unreliable), the Exchange may determine the Settlement Price pursuant to Rule 7.1 of the Exchange Rulebook.

Tier 1 (Trade VWAP). If one or more trades other than block trades in the Contract occur during the sixty (60)-second interval immediately preceding the Periodic Transfer Time (the "Settlement Period"), the Settlement Price shall be the volume-weighted average price ("VWAP") of those trades (excluding any block trades executed or reported during the Computation Interval). Transactions occurring precisely at the Periodic Transfer Time are excluded. This VWAP calculation will be adjusted to exclude outliers; generally this will be performed via a Median Absolute Deviation filter. Tier 1 shall not apply, and the Settlement Price shall instead be determined under Tier 2 or Tier 3, as applicable, if the VWAP so calculated differs from the Underlying Price Index as of the Periodic Transfer Time by more than fifty percent (50%) of that Underlying Price Index.

Tier 2 (Sampled Midpoint Average). If the Settlement Price is not determined under Tier 1 (whether because no trades in the Contract occur during the Settlement Period or because Tier 1 does not apply as provided above) and at least one Observation Point is two-sided and not disregarded, the Settlement Price shall be the arithmetic mean of the Midpoints at all two-sided Observation Points that are not disregarded. For purposes of this Tier 2, sixty (60) Observation Points are defined, occurring at exactly N seconds before the Periodic Transfer Time for each integer N from 1 to 60. The prevailing best bid and prevailing best ask at an Observation Point are the best bid and best ask resting on the order book as of that instant. An Observation Point is "two-sided" if both a prevailing best bid and a prevailing best ask are present at that instant, and the Midpoint at a two-sided Observation Point is the arithmetic mean of its prevailing best bid and prevailing best ask. A two-sided Observation Point shall be disregarded for purposes of Tier 2 if the difference between its prevailing best ask and its prevailing best bid exceeds ten percent (10%) of its Midpoint.

Tier 3 (Index Net Change). If the Settlement Price is not determined under Tier 1 or Tier 2, the Settlement Price shall equal the prior Settlement Price plus the net change in the Underlying Price Index between the prior Periodic Transfer Time and the current Periodic Transfer Time.

Halts During the Settlement Period. Consistent with Rules 14.12(b) and (d) and 14.13, if trading in the Contract is halted during any portion of the Settlement Period, no trades shall be deemed to occur, and no

Observation Point shall be considered two-sided, during the halt; if trading in the Contract is halted at the Periodic Transfer Time, the Settlement Price shall be determined under Tier 3. If a Settlement Price cannot be determined, the Exchange may determine it pursuant to 14.12(c).

Margin: See Part V of Rulebook Chapter 14. The Perpetual SFP Margin Ratio (as defined in Rule 14.16) applied to each position shall be, at all times, not less than 15.50% of Current Market Value, and the Exchange may impose a higher margin requirement under Rule 14.16(e).

Corporate Actions: As set forth in Part VII of Rulebook Chapter 14.

Trading Halts: See Rule 14.13.

Last Trading Date: As this is a Perpetual SFP, it has no scheduled Last Trading Date.

Expiration Date: As this is a Perpetual SFP, it has no scheduled Expiration Date.

Expiration Time: As this is a Perpetual SFP, it has no scheduled Expiration Time.

Pre-Trade Risk Controls: See Rule 14.14.

Market Integrity: The Exchange may, in its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 7.1. If a Funding Rate or Settlement Price cannot be determined, the Exchange has the right to determine payouts or margin requirements pursuant to Rule 7.1. Amendment of the Funding Rate methodology, the Funding Rate default in the event it cannot be determined, and Emergency authority (including adjustment of the Maximum Funding Magnitude, margin, and additional risk controls) are governed by Rules 14.10(g), 14.10(i), 14.10(j) and Rule 2.8.

SCHEDULE OF CONTRACTS

The following Contracts are subject to the terms and conditions set forth in this Appendix A. For each Contract, this Schedule specifies the Official Product Name (which is also the Rulebook identifier for the Contract), the Underlying Security and its issuer, the primary listing exchange of the Underlying Security, and the Minimum Unit of trading. Every Contract has a Contract Unit of one hundred (100) shares of its Underlying Security, a Minimum Tick of $0.005, and a Tick Value of $0.50. Each Contract is a separate security futures product; the Contracts are listed together in this submission because they share identical terms and conditions other than the Underlying Security and the Minimum Unit of trading.

No.	Official Product Name	Underlying Security (Issuer and Class)	Ticker	Primary Listing Exchange	Minimum Unit (Fraction of the 100-share Contract Unit)
1.	AAPLPERP	Apple Inc.—Common Stock	AAPL	Nasdaq	1/10,000
2.	ABBVPERP	AbbVie Inc.—Common Stock	ABBV	NYSE	1/10,000
3.	ADBEPERP	Adobe Inc.—Common Stock	ADBE	Nasdaq	1/10,000
4.	AMATPERP	Applied Materials, Inc.—Common Stock	AMAT	Nasdaq	1/10,000
5.	AMDPERP	Advanced Micro Devices, Inc.—Common Stock	AMD	Nasdaq	1/10,000
6.	AMGNPERP	Amgen Inc.—Common Stock	AMGN	Nasdaq	1/10,000
7.	AMZNPERP	Amazon.com, Inc.—Common Stock	AMZN	Nasdaq	1/10,000
8.	AVGOPERP	Broadcom Inc.—Common Stock	AVGO	Nasdaq	1/10,000
9.	BAPERP	The Boeing Company—Common Stock	BA	NYSE	1/10,000
10.	BACPERP	Bank of America Corporation—Common Stock	BAC	NYSE	1/1,000
11.	BKNGPERP	Booking Holdings Inc.—Common Stock	BKNG	Nasdaq	1/10,000
12.	BRKBPERP	Berkshire Hathaway Inc.—Class B Common Stock	BRK.B	NYSE	1/10,000
13.	CATPERP	Caterpillar Inc.—Common Stock	CAT	NYSE	1/10,000
14.	COPPERP	ConocoPhillips—Common Stock	COP	NYSE	1/10,000
15.	COSTPERP	Costco Wholesale Corporation—Common Stock	COST	Nasdaq	1/10,000
16.	CRMPERP	Salesforce, Inc.—Common Stock	CRM	NYSE	1/10,000
17.	CSCOPERP	Cisco Systems, Inc.—Common Stock	CSCO	Nasdaq	1/1,000
18.	CVXPERP	Chevron Corporation—Common Stock	CVX	NYSE	1/10,000
19.	DISPERP	The Walt Disney Company—Common Stock	DIS	NYSE	1/1,000
20.	GOOGLPERP	Alphabet Inc.—Class A Common Stock	GOOGL	Nasdaq	1/10,000
21.	HDPERP	The Home Depot, Inc.—Common Stock	HD	NYSE	1/10,000
22.	IBMPERP	International Business Machines Corporation—Common Stock	IBM	NYSE	1/10,000
23.	INTCPERP	Intel Corporation—Common Stock	INTC	Nasdaq	1/1,000
24.	JNJPERP	Johnson & Johnson—Common Stock	JNJ	NYSE	1/10,000
25.	JPMPERP	JPMorgan Chase & Co.—Common Stock	JPM	NYSE	1/10,000
26.	KOPERP	The Coca-Cola Company—Common Stock	KO	NYSE	1/1,000

No.	Official Product Name	Underlying Security (Issuer and Class)	Ticker	Primary Listing Exchange	Minimum Unit (Fraction of the 100-share Contract Unit)
27.	LLYPERP	Eli Lilly and Company—Common Stock	LLY	NYSE	1/10,000
28.	LMTPERP	Lockheed Martin Corporation—Common Stock	LMT	NYSE	1/10,000
29.	MAPERP	Mastercard Incorporated—Class A Common Stock	MA	NYSE	1/10,000
30.	MCDPERP	McDonald's Corporation—Common Stock	MCD	NYSE	1/10,000
31.	METAPERP	Meta Platforms, Inc.—Class A Common Stock	META	Nasdaq	1/10,000
32.	MRKPERP	Merck & Co., Inc.—Common Stock	MRK	NYSE	1/10,000
33.	MSFTPERP	Microsoft Corporation—Common Stock	MSFT	Nasdaq	1/10,000
34.	MUPERP	Micron Technology, Inc.—Common Stock	MU	Nasdaq	1/10,000
35.	NEMPERP	Newmont Corporation—Common Stock	NEM	NYSE	1/10,000
36.	NFLXPERP	Netflix, Inc.—Common Stock	NFLX	Nasdaq	1/1,000
37.	NVDAPERP	NVIDIA Corporation—Common Stock	NVDA	Nasdaq	1/10,000
38.	ORCLPERP	Oracle Corporation—Common Stock	ORCL	NYSE	1/10,000
39.	PANWPERP	Palo Alto Networks, Inc.—Common Stock	PANW	Nasdaq	1/10,000
40.	PEPPERP	PepsiCo, Inc.—Common Stock	PEP	Nasdaq	1/10,000
41.	PFEPERP	Pfizer Inc.—Common Stock	PFE	NYSE	1/1,000
42.	PGPERP	The Procter & Gamble Company—Common Stock	PG	NYSE	1/10,000
43.	PLDPERP	Prologis, Inc.—Common Stock	PLD	NYSE	1/10,000
44.	PLTRPERP	Palantir Technologies Inc.—Class A Common Stock	PLTR	Nasdaq	1/10,000
45.	QCOMPERP	QUALCOMM Incorporated—Common Stock	QCOM	Nasdaq	1/10,000
46.	SBUXPERP	Starbucks Corporation—Common Stock	SBUX	Nasdaq	1/1,000
47.	SNDKPERP	Sandisk Corporation—Common Stock	SNDK	Nasdaq	1/100,000
48.	SPCXPERP	Space Exploration Technologies Corp.—Class A Common Stock	SPCX	Nasdaq	1/10,000
49.	TSLAPERP	Tesla, Inc.—Common Stock	TSLA	Nasdaq	1/10,000
50.	TXNPERP	Texas Instruments Incorporated—Common Stock	TXN	Nasdaq	1/10,000
51.	UNHPERP	UnitedHealth Group Incorporated—Common Stock	UNH	NYSE	1/10,000
52.	VPERP	Visa Inc.—Class A Common Stock	V	NYSE	1/10,000
53.	VZPERP	Verizon Communications Inc.—Common Stock	VZ	NYSE	1/1,000
54.	WMTPERP	Walmart Inc.—Common Stock	WMT	NYSE	1/1,000
55.	XOMPERP	Exxon Mobil Corporation—Common Stock	XOM	NYSE	1/10,000

No.	Official Product Name	Underlying Security (Issuer and Class)	Ticker	Primary Listing Exchange	Minimum Unit (Fraction of the 100-share Contract Unit)
56.	BABAPERP	Alibaba Group Holding Limited—American Depositary Shares, each representing eight ordinary shares (ADRs)	BABA	NYSE	1/1,000
57.	QQQPERP	Invesco QQQ Trust, Series 1—ETF Shares	QQQ	Nasdaq	1/10,000
58.	SPYPERP	SPDR S&P 500 ETF Trust—ETF Shares	SPY	NYSE Arca	1/10,000

Notes to Schedule of Contracts:

(1) The Minimum Unit of each Contract has been set, by reference to the closing price of the Underlying Security on September 3, 2026, so that the smallest tradable quantity represents notional value of between approximately $1 and $15 (the Contract price multiplied by the 100-share Contract Unit multiplied by the Minimum Unit fraction): one one-thousandth of a Contract Unit where that price was below $125, one ten-thousandth where it was between $125 and $1,250, and one one-hundred-thousandth where it was above $1,250. The Exchange may prospectively amend the Minimum Unit of a Contract if warranted by a sustained change in the price of the Underlying Security.

(2) The Minimum Unit governs order quantity only; the Contract Unit, Tick Value, position limits, Position Accountability Level, and large trader reporting level are identical for every Contract.

(3) A Contract on any Underlying Security not identified in this Schedule will be submitted to the Commission pursuant to Regulation 41.23 prior to listing.

APPENDIX B—TRADING PROHIBITIONS

In addition to the general prohibitions of Chapter 5 of the Rulebook, including the prohibition against trading on the basis of material nonpublic information, the following provisions apply to trading in the Contract. Persons under 18 years of age are not permitted to create Kalshi accounts.

The Contract is a security futures product and therefore a "security" for purposes of the Exchange Act.[8] Accordingly, the antifraud and insider trading provisions of the federal securities laws, including Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, apply to transactions in the Contract to the same extent as to transactions in the Underlying Security. Rule 14.14(e) of the Rulebook makes these restrictions express at the Exchange level: any person who is a director, officer or 10% or greater shareholder of the issuer of an Underlying Security subject to Section 16 of the Exchange Act, any person in possession of material nonpublic information concerning that issuer, and any family or household member of the foregoing persons is prohibited from trading the Contract on that Underlying Security. Directors and officers of the issuer of an Underlying Security and beneficial owners of more than ten percent of that Underlying Security are further subject to Section 16 of the Exchange Act with respect to transactions in the Contract, including the reporting requirements of Section 16(a), the short-swing profit provisions of Section 16(b), and the restrictions of Section 16(c).[9]

The following individuals will additionally be prohibited from trading the Contract: immediate family members (parents, siblings, spouses, domestic partners) and household members of the persons listed above.

The Exchange's surveillance program applies heightened scrutiny to trading in the Contract around scheduled and unscheduled corporate events concerning the issuer of each Underlying Security, including earnings releases, guidance updates, product and operating announcements, index reconstitutions, and other material corporate announcements, and the Exchange's coordinated surveillance arrangements described in Appendix E extend to trading in the Underlying Security and related options markets.

[8] 15 U.S.C. § 78c(a)(10).

[9] 15 U.S.C. § 78p; see 17 C.F.R. § 240.16a-1(c) (including security futures within the definition of "derivative securities").

APPENDIX C—FURTHER CONSIDERATIONS

The perpetual structure, combined with the funding rate mechanism that maintains convergence with the Underlying Price Index, makes the Contract functionally superior to dated alternatives for participants whose economic exposure is itself continuous or indefinite in duration: it eliminates the need to roll positions from one expiration to the next, trades with a smaller basis to the cash market due to the funding rate mechanism, and allows liquidity to concentrate in a single contract rather than fragmenting across expiration dates. Academic research confirms both the mechanism and the benefit: no-arbitrage pricing of perpetual futures and the convergence function of the funding rate have been derived formally in the peer-reviewed literature,[10] and hedging with perpetual-style contracts avoids the roll-cost uncertainty that backwardation and contango introduce into hedging with dated futures.[11]

Each Contract serves risk mitigation functions for a broad range of market participants with bona fide economic exposure to its Underlying Security. As described in Appendix D, the Underlying Securities are among the largest and most widely held equity securities in the world: each has been approved for listing under the Exchange's security futures listing standards, and each is held across index funds, actively managed portfolios, and direct retail and institutional accounts.

Exchange-traded products and their market makers. The Underlying Securities are held across broad-market index funds and, in many cases, are the reference assets for single-stock leveraged and inverse exchange-traded products, a category that has grown into one of the largest complexes of exchange-traded products in the U.S. market. Those products obtain their daily-resetting exposure principally through over-the-counter total return swaps with dealer counterparties.[12] A centrally cleared, exchange-traded Perpetual SFP offers those issuers, their authorized participants, their market makers, and their swap counterparties a transparent, fungible instrument through which to obtain and hedge that exposure, replacing bilateral counterparty credit exposure with an exchange-traded, centrally cleared position margined at not less than 15.50% of current market value (for customers), and replacing the roll of dated hedges with a single continuously maintained position.

Options market makers. Each Underlying Security supports an actively traded class of listed options, and several of the Underlying Securities support the most actively traded single-name options classes in the U.S. market.[13] Options market makers carry continuous delta exposure that must be hedged in real time. A perpetual security future provides a capital-efficient hedging instrument that tracks the underlying tightly and continuously through the funding mechanism and, unlike a dated single-stock future, never requires rolling, so hedges can remain in place for as long as the underlying options exposure persists—including through the overnight sessions during which the Contract trades but the cash equity market is closed.

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[10] Damien Ackerer, Julien Hugonnier & Urban Jermann, Perpetual Futures Pricing, 36 Math Fin. 481 (2026), DOI: 10.1111/mafi.70018; Songrun He, Asaf Manela, Omri Ross & Victor von Wachter, Fundamentals of Perpetual Futures (working paper, rev. Aug. 21, 2024), https://arxiv.org/abs/2212.06888.

[11] Carol Alexander, Jun Deng & Bin Zou, Hedging with Automatic Liquidation and Leverage Selection on Bitcoin Futures, 306 Eur. J. Operational Res. 478–493 (2023).

[12] See, e.g., Direxion Daily TSLA Bull 2X Shares (a series of Direxion Shares ETF Trust), Prospectus, Principal Investment Strategy (disclosing that the fund most commonly invests in swap agreements and enters into swap agreements with major global financial institutions to obtain leveraged exposure to Tesla, Inc. common stock, an Underlying Security); see also prospectuses of comparable single-stock leveraged and inverse exchange-traded products referencing other Underlying Securities, each disclosing the use of swap agreements with financial counterparties as the principal means of obtaining exposure.

[13] See The Options Clearing Corporation, volume and open interest statistics, theocc.com, and Cboe Global Markets, U.S. options market statistics, cboe.com, in each case for the six months ended June 30, 2026. Per Cboe's second-quarter 2026 market data, Tesla, Inc. and NVIDIA Corporation each accounted for approximately nine percent of total single-stock options volume, the highest share of any single-name class, followed by Apple Inc. at approximately three percent.

Securities lending and equity financing. Single-stock futures have long served as exchange-traded substitutes for securities lending and equity financing transactions: a position in a single-stock future paired with an offsetting position in the underlying replicates the economics of a stock loan or equity repurchase transaction, with the financing rate expressed in the futures basis.[14] In the Contract, those financing economics are expressed transparently in the daily Funding Rate, observable by every market participant, rather than negotiated bilaterally in comparatively opaque stock-loan markets. Each Contract accordingly gives holders of its Underlying Security a centrally-cleared instrument through which to earn financing on inventory, and gives participants seeking short exposure an instrument free of locate, borrow-availability, and recall risk, with the borrow economics priced openly through the funding mechanism.

Concentrated holders and investors. Holders of concentrated positions in the Underlying Security, including employees and early investors, can hedge price risk without disposing of shares, subject to any applicable contractual, issuer-policy, or securities-law constraints on such persons. Institutional investors can equitize cash or adjust single-name exposure with one instrument, and long/short investors obtain a margined instrument whose leverage is bounded not only by the fifteen-percent customer margin floor of the security futures framework, but also the Exchange's higher 15.50% minimum customer margin requirement for Perpetual SFPs, a materially more conservative leverage profile than the offshore perpetual venues to which this activity currently defaults.

Price discovery, transparency, and onshoring. Perpetual contracts referencing U.S. equities, including many of the Underlying Securities, are now offered by offshore trading venues (including perpetual contracts on tokenized representations of U.S. stocks) wholly outside the U.S. regulatory perimeter, without coordinated surveillance with the U.S. cash equity market, without federally prescribed customer margin, and without central clearing subject to Commission and SEC oversight.[15] The United States, meanwhile, has only recently relaunched any form of security futures, let alone perpetual ones; activity that would naturally occur in such regulated markets has migrated to over-the-counter swaps and to offshore venues. Listing the Contracts on a CFTC-registered DCM notice-registered with the SEC as a national securities exchange creates a regulated U.S. venue for perpetual single-stock futures trading, with every trade surveilled, every customer position margined under the joint CFTC-SEC customer margin rules, and every obligation cleared by a registered DCO.

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[14] OneChicago's single-stock futures functioned as a securities-financing instrument principally through exchange-of-future-for-physical ("EFP") transactions, in which a participant simultaneously bought (or sold) the underlying equity and sold (or bought) the proportionate number of single-stock futures, leaving no net market exposure and shifting the position to alternative financing terms. OneChicago marketed its OCX.NoDivRisk® single-stock futures, introduced as OCX.NoDiv™ and announced October 8, 2010 with trading commencing later that month, as economically equivalent to a securities lending transaction. Blocks and EFPs were reported through the OCX.BETS® platform, succeeded by OCXdelta1 in September 2014; the exchange also listed OCX.Original and, from June 20, 2014, OCX.Weekly contracts. See CFTC Division of Market Oversight, Rule Enforcement Review of OneChicago, LLC (public release Apr. 7, 2014). Financing-driven activity constituted a substantial share of OneChicago's volume: in December 2011 alone, EFPs and blocks totaled 489,584 contracts representing more than $2.7 billion in notional value, and 28% of year-end open interest of 351,379 contracts was in OCX.NoDivRisk products. Following OneChicago's closure in September 2020, this financing activity migrated to over-the-counter equity swap and securities-lending channels. Professor Alexander has separately observed that automatic liquidation as practiced on unregulated offshore venues is not an inherent feature of a perpetual contract but a consequence of a market structure permitting extreme user-selected leverage, and that such a model should not be carried into regulated markets, which should instead rest on binding risk-based margin requirements and central clearing. See Comment Letter of Professor Carol Alexander re File No. S7-2026-21 (July 21, 2026). The Contract adopts that approach: leverage is not user-selectable, and Perpetual SFP Required Margin of not less than 15.50% of Current Market Value is collected at all times and cleared through Klear.

[15] See supra note 6. On the capacity of perpetual contracts to perform the price-discovery function traditionally associated with futures markets, and on the case for permitting that price discovery to occur within a supervised U.S. market, see Comment Letter of Professor Carol Alexander, University of Sussex Business School, re File No. S7-2026-21 (July 21, 2026), https://www.sec.gov/comments/S7-2026-21/s7202621-975339-3051569.pdf.

Finally, CFTC Chairman Selig has stated that the CFTC will "use the tools at its disposal to onshore perpetual and other novel derivative products so that they can flourish across both centralized and decentralized markets, subject to appropriate safeguards," confirming that the listing of a regulated perpetual security future directly advances the Commission's stated policy objectives of deterring manipulation, protecting market participants, and promoting responsible innovation.[16]

[16] Remarks of CFTC Chairman Michael Selig, The Next Phase of Project Crypto: Unleashing Innovation for the New Frontier of Finance (Jan. 29, 2026), https://www.cftc.gov/PressRoom/SpeechesTestimony/opaselig1.

APPENDIX D—THE UNDERLYING SECURITIES AND UNDERLYING PRICE INDEX

This Appendix describes the Underlying Securities, the Underlying Price Index, and the market-integrity infrastructure of the U.S. national market system from which the Contracts' reference prices are drawn.

The Underlying Securities

Each Underlying Security is an equity security registered under Section 12(b) of the Exchange Act and listed on a national securities exchange (The Nasdaq Stock Market, the New York Stock Exchange, or NYSE Arca, as identified for each Underlying Security in the Schedule of Contracts). Fifty-five of the Underlying Securities are the common stock of U.S. public companies. The remaining three are equity securities other than common stock, each of which is eligible to underlie a security future pursuant to the joint order of the Commission and the SEC permitting any security that is eligible to underlie options traded on a national securities exchange to underlie security futures:[17] the American depositary shares of Alibaba Group Holding Limited (NYSE: BABA), each representing eight ordinary shares and evidenced by American depositary receipts (the 'Alibaba ADRs'), and the shares of two exchange-traded funds registered under the Investment Company Act of 1940, SPDR S&P 500 ETF Trust (NYSE Arca: SPY) and Invesco QQQ Trust, Series 1 (Nasdaq: QQQ).

The Exchange has determined, on the basis of the data described in the accompanying note, that each Underlying Security satisfies the Exchange's security futures listing standards filed with the SEC and codified in Part II of Chapter 14 of the Rulebook. Rule 14.3(h) extends eligibility to ADRs and to ETF Shares that satisfy Rule 14.4(e).

ETF-Specific Eligibility Requirements

Each of SPY and QQQ (the "Underlying ETFs") represents a share of an open-end fund or unit investment trust registered under the Investment Company Act of 1940 that issues and redeems shares at net asset value in creation-unit aggregations, tracks a diversified index of equity securities, and is neither leveraged, inverse, nor synthetic. Each of the Underlying ETFs is an NMS stock listed on a national securities exchange (satisfying Rules 14.3(a) and 14.3(h)) and each issuer is current in its periodic reporting obligations (including the reports required of registered investment companies). Each of the Underlying ETFs satisfies the twelve-month trading-volume criterion of Rule 14.3(k) by several orders of magnitude.

ADR-Specific Eligibility Requirements

Rule 14.3(l) applies special listing standards to ADRs. The primary market for the ordinary shares underlying the Alibaba ADRs, The Stock Exchange of Hong Kong Limited (a subsidiary of Hong Kong Exchanges and Clearing Limited) ("HKEX"), is a member of the Intermarket Surveillance Group, through which the Exchange maintains an effective surveillance-sharing arrangement with that market pursuant to Rule 14.35. Because HKEX has an effective surveillance-sharing agreement with the Exchange, the Alibaba ADRs satisfy the first prong of Rule 14.3(l). Alibaba Group Holding Limited is a foreign private

[17] Joint Order Modifying the Listing Standards Requirements under Section 6(h) of the Securities Exchange Act of 1934 and the Criteria under Section 2(a)(1) of the Commodity Exchange Act, Exchange Act Release No. 34-61027 (Nov. 19, 2009), 74 Fed. Reg. 61,380 (Nov. 24, 2009) (jointly modifying Section 6(h)(3)(D) of the Exchange Act and Section 2(a)(1)(D)(i)(III) of the Act, pursuant to Section 6(h)(4)(A) of the Exchange Act and Section 2(a)(1)(D)(v)(I) of the Act, to permit any security that is eligible to underlie options traded on a national securities exchange to underlie security futures, and superseding the Commissions' prior joint orders relating to depositary shares, Exchange Act Release No. 34-44725 (Aug. 20, 2001), and to shares of exchange-traded funds, trust issued receipts, and closed-end funds, Exchange Act Release No. 34-46090 (June 19, 2002), 67 Fed. Reg. 42,760 (June 25, 2002)). See Regulation 41.21(a)(2)(ii). Each of the American depositary shares of Alibaba Group Holding Limited, the shares of SPDR S&P 500 ETF Trust, and the shares of Invesco QQQ Trust, Series 1 underlies options listed on multiple national securities exchanges.

issuer which files reports on Forms 20-F and 6-K, satisfying the periodic-reporting requirements of Rule 14.3(g).

General Eligibility Requirements

Each Underlying Security, other than the two Underlying ETFs, has not fewer than 2,000 security holders, whether of record or beneficial, satisfying Rule 14.3(j). Rule 14.3(j) is inapplicable to ETFs such as the Underlying ETFs.

Each Underlying Security satisfies each of the quantitative criteria of Rules 14.3(b) through 14.3(f) (market capitalization of not less than $100 billion; average daily value of transactions ("ADTV") of not less than $450 million; share price; public float of not less than 7 million shares; and Estimated Deliverable Supply, as defined in Rule 14.2 of the Rulebook, of not less than 20 million shares).

In every case, each Underlying Security underlies options listed on one or more national securities exchanges and accordingly satisfies the options listing standards, filed with and approved by the SEC, against which Section 6(h)(3)(C) of the Exchange Act measures security futures listing standards.[18] Many of the Underlying Securities exceed the quantitative criteria by an order of magnitude or more, and the Underlying Securities as a group are among the most actively traded equity securities in the world, with listed options that are among the most actively traded single-name options classes. No categorical exclusion under Rule 14.4 applies to any Underlying Security; the maintenance standards of Rule 14.6 are satisfied; and the listing of each Contract has been approved by the Exchange's New Product Committee, on the basis of a written approval memorandum documenting the Committee's determinations, in accordance with Rule 14.8 (see Appendix E).

The Underlying Price Index

The Underlying Price Index for a given time t is the last sale price of the Underlying Security as reported on the consolidated tape pursuant to the applicable national market system plan: for Underlying Securities listed on The Nasdaq Stock Market, the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (the "UTP Plan"), and, for Underlying Securities listed on the New York Stock Exchange or NYSE Arca, the Consolidated Tape Association Plan (the "CTA Plan"). During periods when the U.S. equity cash market is closed, the Underlying Price Index is the official closing price from the most recent regular trading session. For each Underlying Security, that is the price established by the closing auction of its primary listing exchange (the Nasdaq Closing Cross or the NYSE or NYSE Arca closing auction, as applicable), which concentrates a substantial share of the trading day's volume in a single, transparent, auction-determined print.

Every value of the Underlying Price Index is therefore the price of an actual, executed, and cleared transaction in the Underlying Security effected on a national securities exchange registered under Section 6(a) of the Exchange Act or reported by a FINRA member to a trade reporting facility, and disseminated through securities information processors operating under SEC-approved national market system plans. The consolidated tape is a product of the national market system established under Section 11A of the Exchange Act and Regulation NMS: transaction reporting is mandatory, standardized, and surveilled; the reporting venues are themselves self-regulatory organizations (or FINRA members subject to

[18] The Exchange's eligibility determinations for the Underlying Securities are based on the following sources, in each case as of the date of this submission: Section 12(b) registration status, shares outstanding, and holders of record per each issuer's most recent annual and quarterly (or other periodic) reports filed with the SEC; market capitalization per the closing price of each Underlying Security on its primary listing exchange; trading volume and traded notional value per consolidated market data for the six-month period ended immediately prior to the date of this submission; and public float and Estimated Deliverable Supply per issuer filings and consolidated market data. The data supporting the Exchange's determination for each Underlying Security are maintained by the Exchange and are available to Commission staff upon request.

SRO oversight) with independent surveillance obligations; and the data is disseminated in real time to the entire market, so that any anomalous print is immediately visible to all market participants, to the SROs, and to the SEC. Unlike a benchmark computed from venue order books, dealer quotations, or survey submissions, the Underlying Price Index cannot be moved except by executing real transactions at prevailing prices in the cash market itself.

Market-Integrity Infrastructure

The cash market for each Underlying Security operates under a comprehensive, SEC-administered market-integrity framework: the Limit Up-Limit Down Plan constrains the price band within which transactions may execute and pauses trading upon limit states;[19] market-wide circuit breakers halt all equity trading upon severe market-wide declines; the exchanges maintain clearly erroneous execution rules; Regulation NMS's order protection and access rules unify the national market; Regulation SHO governs short sales; and trading is surveilled by the listing exchange, each trading venue, FINRA, and the SEC. The Contract's terms incorporate this infrastructure directly: trading in the Contract (including reporting and execution of block trades in Contracts) halts whenever a regulatory halt is in effect for the Underlying Security; no Premiums are computed during halts or outside regular trading hours; and the Periodic Transfer Time, Funding Period, and Settlement Price adjust automatically to early closes, delayed opens, and unscheduled closures, as set forth in Appendix A.

Manipulation Resistance

A party seeking to influence the Underlying Price Index must execute real transactions, at scale, in one of the deepest cash equity markets in the world, in full view of the consolidated tape and the surveillance apparatus described above—conduct that is independently unlawful under the Exchange Act and the CEA. The Limit Up-Limit Down bands mechanically cap the displacement any burst of order flow can achieve, and the cost of moving the consolidated price scales super-linearly in the required displacement under the square-root law of market impact, which is extensively documented in equity markets.[20] The bounded, deadbanded, session-long-averaged funding mechanism and the outlier-filtered, tiered settlement methodology described in Appendix A cap the payoff available through the Contract to any such attempt. Appendix F (confidential in part) quantifies these considerations.

[19] National Market System Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934 (the "LULD Plan"), File No. 4-631, approved by Exchange Act Release No. 34-67091 (May 31, 2012), 77 Fed. Reg. 33,498 (June 6, 2012), as subsequently amended.

[20] On the square-root scaling of price impact in equity markets, see Robert Almgren, Chee Thum, Emmanuel Hauptmann & Hong Li, Direct Estimation of Equity Market Impact, Risk (July 2005) at 57; Bence Tóth, Yves Lempérière, Cyril Deremble, Joachim de Lataillade, Julien Kockelkoren & Jean-Philippe Bouchaud, Anomalous Price Impact and the Critical Nature of Liquidity in Financial Markets, 1 Phys. Rev. X 021006 (2011), DOI: https://doi.org/10.1103/PhysRevX.1.021006; see also Frédéric Bucci, Michael Benzaquen, Fabrizio Lillo & Jean-Philippe Bouchaud, Crossover from Linear to Square-Root Market Impact, 122 Phys. Rev. Lett. 108302 (2019).

APPENDIX E—COMPLIANCE WITH THE ACT, PART 41, AND THE CORE PRINCIPLES

A. The Exchange Has Exercised Reasonable Discretion by Categorizing the Contracts as Futures Contracts (Specifically, Security Futures Products) for Purposes of Compliance with the Core Principles and Other Provisions of the CEA and Commission Regulations.

Section 5(d)(1)(B) of the CEA and Regulation 38.100(b) thereunder provide that a DCM has reasonable discretion in establishing the manner in which it complies with the Core Principles.[21] Through the analysis below, the Exchange has exercised reasonable discretion by categorizing each Contract as a futures contract and, specifically, as a security future and security futures product for purposes of compliance with the Core Principles and other provisions of the CEA and Commission regulations.[22]

1. The CEA's "Swap" Definition Per Se Excludes Futures Contracts and Security Futures Products.

The CEA's definition of "swap" expressly excludes both "any contract of sale of a commodity for future delivery" and any "security futures product."[23] If an agreement, contract, or transaction falls within one of these exclusions, it is not a swap, regardless of whether it could also plausibly fall within an affirmative clause of the swap definition. This *per se* effect is illustrated by the definition's treatment of securities options. Setting aside those exclusions, an option on a single, non-exempt equity security could fall within the affirmative clause of the CEA's swap definition covering an option based on the value of one or more securities, but it is not a swap because securities options are expressly excluded under CEA Section 1(a)(47)(B).[24]

The same analysis applies here. A "security futures product" means a security future or an option or similar privilege on a security future.[25] Accordingly, if a Contract is a security future, it is *per se* excluded from the CEA's swap definition, even if it could also be described in terms falling within an affirmative clause of that definition. The Exchange Act's definition of "security-based swap," in turn, reaches only an agreement, contract, or transaction that is a "swap" within the meaning of the CEA (without regard to the CEA's exclusion for security-based swaps). A Contract that is excluded from the CEA's swap definition as a futures contract or security futures product therefore is not a security-based swap either.[26] The remainder of this analysis accordingly focuses on whether the Contracts are security futures, *per se* excluded from the statutory "swap" and "security-based swap" definitions.

2. The Contracts Qualify as Security Futures.

a. The Contracts Fall Within the Statutory Definition of "Security Future."

Subject to exclusions not relevant here, the CEA and the Exchange Act define a "security future" as "a contract of sale for future delivery of a single security or of a narrow-based security index, including any interest therein or based on the value thereof."[27] Each Contract is a contract based on the value of a single Underlying Security and provides for future delivery of cash payments determined by reference to the future price of that security.

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[21] 7 U.S.C. § 7(d)(1)(B); 17 C.F.R. § 38.100(b).

[22] The Exchange and Klear intend to treat each Contract as a futures contract and security futures product for purposes of compliance with the CEA, the provisions of the Exchange Act applicable to security futures products, and the regulations of the Commission and SEC thereunder, by themselves and their Participants.

[23] 7 U.S.C. § 1a(47)(B)(i).

[24] See 7 U.S.C. §§ 1a(47)(A)(i), 1a(47)(B)(iii).

[25] 7 U.S.C. § 1a(45).

[26] 15 U.S.C. § 78c(a)(68)(A); see also Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping, 77 Fed. Reg. 48,208, 48,227-28 (Aug. 13, 2012).

[27] 7 U.S.C. § 1a(44); 15 U.S.C. § 78c(a)(55)(A).

Traditional cash-settled security futures generally provide for final cash settlement on a specified expiration date. The statutory text does not, however, require delivery on a single, specified future date. Congress could have limited the definition to a contract for *a* future delivery or referred expressly to a "specific future date," as it did elsewhere in the CEA, but it did not.[28] Nor does "future delivery" require physical delivery. The definition expressly includes futures on narrow-based security indexes, which ordinarily can be settled only in cash, and the Commission and SEC have adopted rules that specifically contemplate cash-settled security futures.[29] The absence of a scheduled final settlement date therefore does not disqualify the Contracts from treatment as security futures.

Each Contract's daily Periodic Transfer mechanism supplies the requisite element of "future delivery." In place of a single cash payment at expiration, the Contract provides for a continuing series of cash-settled future deliveries for as long as the position remains open. Each Periodic Transfer is determined after the Contract is entered into, constitutes a distinct cash flow computed independently from variation margin, and transfers value between the long and short sides by reference to the price relationship between the Contract and the Underlying Security. Economically, the Contract is equivalent to a strip of next-day security futures on the same Underlying Security, each providing for cash settlement on the following day. The Contract's indefinite term changes the timing and recurrence of settlement; it does not eliminate future delivery.

b. The Contracts Satisfy Futures-Contract Precedent.

The defining characteristics of commodity futures further support categorizing the Contracts as security futures. The phrase "contract of sale for future delivery" in the security-future definition is the same formulation the CEA uses when referring to commodity futures generally.[30] Courts ordinarily read identical language within the same statute consistently, and no case, rule, or Commission interpretation attributes a different meaning to that phrase when the underlying commodity is a security.[31] Moreover, the CEA classifies securities as "excluded commodities."[32] Security futures thus are a type of commodity future, which is part of the reason that they are subject to CFTC regulation in addition to SEC regulation. It would undermine that statutory structure to use one set of criteria to determine whether a contract on one excluded commodity is a future and another set merely because the excluded commodity is a security.

Neither the CEA nor Commission regulations provide a fixed definition of "futures contract." The Commission has historically described futures as standardized contracts for the purchase or sale of commodities that provide for future rather than immediate delivery; are offered directly or indirectly to the public and generally secured by margin; and are entered into primarily to assume or shift the risk of changes in commodity value rather than to transfer ownership of the commodity.[33] The Commission has also historically distinguished futures from swaps by reference to features including standardization, exchange-style offset, centralized trading, clearing and margin, and availability to the public.[34]

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[28] See 7 U.S.C. § 1a(24) (defining a foreign exchange forward by reference to an exchange of currencies on a "specific future date").

[29] See 17 C.F.R. §§ 41.25(c), 240.6h-1(b); Caiola v. Citibank, N.A., 295 F.3d 312, 326 (2d Cir. 2002) (recognizing in the analogous securities-options context that an option on an index of securities is settled in cash because physical delivery is not possible); CBOE Futures Exchange, LLC, Rule Certification and Listing of Security Futures Products, Submission No. CFE-2011-28 (Dec. 22, 2011); OneChicago, LLC, Listing of Security Futures Products (Dec. 3, 2008).

[30] See, e.g., 7 U.S.C. § 2(a)(1)(A).

[31] See, e.g., Unicolors, Inc. v. H&M Hennes & Mauritz, L.P., 595 U.S. 178, 186 (2022); United Sav. Ass'n of Tex. v. Timbers of Inwood Forest Assocs., Ltd., 484 U.S. 365, 371 (1988).

[32] 7 U.S.C. § 1a(19).

[33] In re Stovall, [1977-1980 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 20,941, at 23,777 (CFTC Dec. 6, 1979).

[34] See Policy Statement Concerning Swap Transactions, 54 Fed. Reg. 30,694, 30,695-96 (July 21, 1989); Exemption of Certain Swap Agreements, 58 Fed. Reg. 5,587, 5,589 (Jan. 22, 1993).

Courts addressing contracts on intangible commodities distinguish futures from forwards or swaps principally by asking whether there is trading "in the contract."[35] That inquiry turns on standardization and fungibility, as evidenced by such features as (i) a fixed, standardized unit quantity, (ii) obligations guaranteed by a clearing house that sets margin requirements, and (iii) the ability to exit through an offsetting transaction.[36]

Each Contract will exhibit all of these defining characteristics:

- each Contract will have a fixed, standardized unit quantity;
- each party's obligations will be guaranteed through novation to Klear, which will act as central counterparty and set and collect margin;
- holders will be able to exit positions through offset;
- the Contracts will be available to the general public, including retail participants;
- parties will enter into the Contracts to assume or shift the risk of changes in the value of the applicable Underlying Security, without any possibility of transferring ownership of that security; and
- the Contracts will trade on the Exchange's centralized order book as security futures products listed by a DCM that is notice-registered with the SEC as a national securities exchange.[37]

The Contracts' indefinite duration does not alter this conclusion. Although courts sometimes describe futures as having a fixed expiration or delivery date, none has held that a single expiration date is indispensable to futures categorization. Courts that have addressed contracts of indefinite duration have instead treated the absence of a fixed expiration date as non-determinative when the defining characteristics of a future are otherwise present.[38]

The Seventh Circuit's decision in *Chicago Mercantile Exchange v. SEC* is particularly instructive because it concerned listed, securities-linked contracts of "indefinite duration." The court concluded that such contracts can possess "futurity" because futurity exists when value or executory payment obligations are set in the future; it does not depend on a mandatory final-settlement date.[39] The index participations at issue in that case required periodic payments approximating dividends and allowed the long holder, but did not require both parties, to trigger a later cash-out. The Contracts similarly have no binding scheduled final settlement but impose future executory payment obligations through Periodic Transfers. Although *CME* predated the Commodity Futures Modernization Act of 2000, the court's analysis expressly extended to participations based on securities indexes; under the current statutory taxonomy, the same analysis supports

[35] See, e.g., CFTC v. Erskine, 512 F.3d 309, 325 (6th Cir. 2008); CFTC v. Zelener, 373 F.3d 861, 865 (7th Cir. 2004); Chicago Mercantile Exchange v. SEC, 883 F.2d 537, 542 (7th Cir. 1989) ("CME"). This submission does not address the categorization of contracts involving physical delivery of tangible commodities, for which some courts have applied a totality-of-the-circumstances analysis. See, e.g., CFTC v. Co Petro Marketing Group, Inc., 680 F.2d 573, 581 (9th Cir. 1982); Andersons, Inc. v. Horton Farms, Inc., 166 F.3d 308, 318 (6th Cir. 1998).

[36] See Erskine, 512 F.3d at 325; CME, 883 F.2d at 542; Zelener, 373 F.3d at 868 (quoting Nagel v. ADM Investor Services, Inc., 217 F.3d 436, 441 (7th Cir. 2000)).

[37] Trading on a regulated exchange is not indispensable to futures categorization, but the Contracts' trading on a DCM and clearing through a DCO strongly support the conclusion that there is trading "in the contract." Section 4(a) of the CEA prohibits off-exchange futures without reclassifying them as swaps. See 7 U.S.C. § 6(a).

[38] See Standard Forex, Inc. v. Commodity Futures Trading Commission, No. 93 Civ. 0088 (PKL), 1996 WL 435440, at *10 (S.D.N.Y. Aug. 1, 1996); CFTC v. International Financial Services (New York), Inc., 323 F. Supp. 2d 482, 498 (S.D.N.Y. 2004); CFTC v. International Foreign Currency, Inc., 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004).

[39] CME, 883 F.2d at 539, 541-42. The index participations were perpetual-term contracts based on a securities index. The seller promised to pay the buyer the index value on a cash-out day; the instruments also settled quarterly through payments approximating dividends paid by the component stocks. The long holder could elect to cash out, but no binding final-settlement date applied to both sides.

security-future treatment for a standardized contract based on a single security or narrow-based security index.[40]

The Contract's Periodic Transfer mechanism reinforces, rather than undermines, its appropriate categorization as a security future. Periodic Transfers are standardized, non-negotiable terms of a fungible, exchange-traded and centrally cleared instrument, not individually negotiated exchanges of payments between identified counterparties. They serve for a perpetual future the convergence function that final settlement serves for a dated future by encouraging the Contract price to remain aligned with the Underlying Security. Their inclusion does not transform the Contract into a swap any more than daily variation settlement transforms a dated future into a swap.

The Commission's May 29, 2026 order approving the Exchange's BTCPERP contract as a futures contract confirms that a perpetual term and recurring funding mechanism are compatible with futures categorization.[41] The order also considered characteristics of the underlying bitcoin market that supported the funding mechanism's effective operation, price convergence, and resistance to manipulation, including that the reference price was observable while the contract traded and that the spot market was deep and liquid.[42] The market for the Underlying Securities likewise is deep, active, transparent, and subject to comprehensive federal regulation. The Contract's trading hours, funding methodology, trading-halt provisions, eligibility criteria, market-surveillance arrangements, and other protections described in this submission are designed so that the Contract's price and Periodic Transfers remain anchored to observable prices in the underlying and related markets.

3. Security-Future Categorization Promotes Consistent and Predictable Regulation and Reduces Arbitrage Opportunities.

The security-futures regime was designed specifically for exchange-traded derivatives on securities. It coordinates CFTC and SEC oversight and seeks parity with comparable exchange-listed securities options in areas including margin and listing standards, while also providing for coordinated trading halts and cross-market surveillance.[43] Listed equities, single-stock exchange-traded funds, listed equity options, dated single-stock futures, and the Contracts are economically related instruments: each enables directional or hedged exposure to the performance of the same equity or equity-linked reference asset. Treating the Contracts as security futures therefore places them within the regulatory framework Congress created for standardized, exchange-traded securities derivatives and promotes consistent treatment of economically similar instruments.

That consistency also supports market quality. Trading in cash equities, listed options, and dated equity futures is complementary: the availability of multiple instruments can improve hedging, risk management, price discovery, and the isolation of particular exposures for investors and liquidity providers. Subjecting the Contracts to the same coordinated framework should permit similar benefits while preserving the margin, customer-protection, surveillance, and trading-halt safeguards applicable to security futures.

By contrast, categorizing the Contracts as swaps or security-based swaps would subject standardized, fungible, centrally cleared and exchange-traded instruments available to retail participants to regulatory

[40] The CFMA lifted the preexisting prohibition on single-stock and narrow-based-index futures and established the joint regulatory framework for security futures. See Commodity Futures Modernization Act of 2000, Pub. L. No. 106-554, 114 Stat. 2763.

[41] CFTC, Order Approving KalshiEx LLC BTCPERP Futures Contract (May 29, 2026), https://www.cftc.gov/media/14071/DMO_KalshiBTCPERPOrder052926/download.

[42] Id. at 7.

[43] See 15 U.S.C. §§ 78f(h)(3)(C), 78g(c)(2)(B)(iii); 17 C.F.R. §§ 41.25, 240.6h-1. The customer-margin provisions require consistency with comparable exchange-traded options, and security-futures listing standards must be no less restrictive than comparable securities-options standards.

regimes principally designed for institutional, over-the-counter markets.[44] It would also create incentives to reproduce substantially the same economics through very long-dated security futures or other structures selected to obtain the appropriate exchange-traded-derivatives framework. Disparate treatment of economically similar instruments would invite regulatory arbitrage, fragment liquidity, and complicate coordinated oversight without producing a commensurate regulatory benefit.

For these reasons, the Exchange has reasonably categorized each Contract as a futures contract and, specifically, as a security future and security futures product subject to the joint CFTC-SEC framework under Section 2(a)(1)(D) of the CEA and the applicable provisions of the Exchange Act. Each Contract is therefore excluded from the CEA's swap definition and is not a security-based swap.

B. The Contracts Comply with the Requirements and Standards of Part 41 for Listing Security Futures Products.

Requirements for the underlying security (Regulation 41.21). Regulation 41.21(a) provides that a futures contract on a single security is eligible to be traded as a security futures product only if: (1) the underlying security is registered pursuant to Section 12 of the Exchange Act; (2) the underlying security is common stock (or such other equity security as the Commission and the SEC jointly deem appropriate, or a note, bond, debenture, or evidence of indebtedness); and (3) the underlying security conforms with the listing standards for the security futures product that the DCM has filed with the SEC under Section 19(b) of the Exchange Act. Each requirement is satisfied for each Underlying Security. Each Underlying Security is registered pursuant to Section 12(b) of the Exchange Act; each is common stock or, in the case of the three Underlying Securities identified in Appendix D, an equity security that the Commission and the SEC have jointly deemed appropriate to underlie security futures under Regulation 41.21(a)(2)(ii) and Section 2(a)(1)(D)(v)(I) of the Act; and each conforms with the security futures listing standards that the Exchange has filed with the SEC, which are codified in Rules 14.3 through 14.8 of Chapter 14 of the Rulebook and are modeled on the sample listing standards described in SEC Staff Legal Bulletin No. 15 ("SLB 15"), the initial listing standards applicable to equity options, and the listing standards of security futures on the Chicago Mercantile Exchange.[45] As set forth in Appendix D, the Exchange has confirmed that each Underlying Security satisfies Rule 14.3: each is a Section 12(b)-registered NMS stock listed on a national securities exchange (Rules 14.3(a) and 14.3(h)); each issuer is current in its periodic reporting obligations (Rule 14.3(g)); and each Underlying Security other than the two ETF Shares has not fewer than the 2,000 security holders required by Rule 14.3(j), while the ETF Shares satisfy the trading-volume criterion of Rule 14.3(k) that applies to them in lieu of Rule 14.3(j). Rule 14.3(h) expressly extends eligibility to ADRs and to ETF Shares meeting the conditions of Rule 14.4(e), and the maintenance standards of Rule 14.6 apply to those securities on an ongoing basis.

Each Underlying Security must satisfy the quantitative criteria of Rules 14.3(b) through 14.3(f). Every Underlying Security is in any event eligible to underlie exchange-listed options. No categorical exclusion under Rule 14.4 applies to any Underlying Security; the maintenance standards of Rule 14.6 are satisfied; and the listing of each Contract has been approved by the Exchange's New Product Committee in accordance with Rule 14.8, following the review required by Rule 14.8(b), including an evaluation of the

[44] See, e.g., Security-Based Swap Execution and Registration and Regulation of Security-Based Swap Execution Facilities, 88 Fed. Reg. 87,156, 87,166 n.103 (Dec. 15, 2023) (noting that the SEC's rules for security-based swap execution facilities do not directly affect retail investors).

[45] SEC Division of Market Regulation, Staff Legal Bulletin No. 15: Listing Standards for Trading Security Futures Products (Sept. 5, 2001); Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Adoption of Chicago Mercantile Exchange's Rules Governing Security Futures Product Listing Standards, Adoption of Chicago Mercantile Exchange Inc.'s Rules Governing Security Futures Adjustments, and Adoption of Chicago Mercantile Exchange Inc.'s Rules Governing Cash Settled Single Stock Security Futures, Exchange Act Release No. 34-105844 (July 2, 2026), 91 Fed. Reg. 41,676 (July 7, 2026). The Exchange's security futures listing standards are set forth in Rules 14.3 through 14.8 of the Rulebook and have been filed with the SEC.

susceptibility of each Underlying Security to manipulation and of the adequacy of the data sources necessary for settlement and margining. Should any Underlying Security cease to satisfy the maintenance standards of Rule 14.6 following the 90-day cure period described in Rule 14.6(b) or become subject to an immediate delisting event enumerated in Rule 14.6(c), the Contract on that Underlying Security will be subject to the delisting and final settlement procedures of Rules 14.6 and 14.7, as described below, without effect on any other Contract.

Required certifications (Regulation 41.22). The certifications required by Regulation 41.22 are set forth in the Certifications section of this submission. In substance: paragraph (a) is supported by the Regulation 41.21 analysis above; paragraph (b) is inapplicable because the Contract is not physically settled and all obligations settle in cash; paragraph (c) is reserved; as to paragraph (d), customer business in the Contract will be conducted only by intermediaries subject to suitability rules comparable to those of a registered national securities association under Part VIII of Chapter 14 (Sales Practices): under Rule 14.1(d) of the Rulebook, only members of the Exchange registered as futures commission merchants or introducing brokers with the Commission that are also registered or notice-registered as broker-dealers with the SEC pursuant to Section 15(b) of the Exchange Act may effect customer transactions in the Contract; Rule 14.33 requires each such member to comply with National Futures Association sales-practice requirements (the National Futures Association ("NFA") is a national securities association for the limited purpose of regulating the activities of NFA members who are registered as brokers or dealers in security futures products under Section 15(b)(11) of the Exchange Act and has adopted sales-practice, suitability, and disclosure requirements applicable to security futures activities of Commission registrants, including delivery of the uniform security futures risk disclosure statement[46]); as to paragraph (e), the Exchange has no floor brokers and does not "provide[] market participants with a time or place advantage or the ability to override a predetermined algorithm,"[47] and Rule 5.17 prohibits any futures commission merchant or introducing broker member of the Exchange from entering into an order to buy or sell a contract for their own account or any account in which they have a proprietary interest when the intermediary has in hand an order to buy or sell the same contract for a customer at the same price or at the market price; paragraph (f) is supported by Appendices D and F; as to paragraphs (g) and (h), the Exchange's audit trail—which under Rule 14.36 captures order receipt and execution times to the millisecond, Participant and customer identity, order terms, modifications and cancellations, and execution prices and counterparties, retained for not less than five years—is sufficient to reconstruct trading in the Contract and to facilitate coordinated surveillance, and the Exchange's membership in the Intermarket Surveillance Group, required by Rule 14.35, provides access to surveillance information from the markets on which the Underlying Security and related options trade, with cross-market information-sharing and coordinated-investigation obligations set forth in Rules 14.34 through 14.36; as to paragraph (i), Rule 14.13 of the Rulebook and the Contract's terms provide that trading in the Contract (including execution and reporting of block trades) is halted at all times that a regulatory halt is in effect for the Underlying Security; and paragraph (j) is supported by the margin analysis below.

Additional conditions for trading (Regulation 41.25). The terms and conditions of the Contract comply with each applicable condition of Regulation 41.25:

Reporting of data (Regulation 41.25(b)(1)). The Exchange complies with Part 16 of the Commission's regulations, requiring the daily reporting of market data, with respect to the Contract. In addition, Rule 14.25 of the Rulebook requires each Participant to file daily large trader reports with the Exchange, by 9:00 a.m. Eastern Time on the following business day, for any account holding a reportable position of 5,000 or more Standard Contract Equivalents, net long or net short.

[46] See NFA Compliance Rule 2-30(b) and NFA Interpretive Notice 9050 (NFA Compliance Rule 2-30(b): Risk Disclosure Statement for Security Futures Contracts); see also NFA Compliance Rule 2-37 and NFA Interpretive Notice 9047. The joint SEC-CFTC Risk Disclosure Statement for Security Futures Contracts was most recently revised in August 2020. See NFA Notice to Members I-20-30 (Aug. 2020).

[47] 17 C.F.R. § 41.27(b)(2).

Regulatory trading halts (Regulation 41.25(b)(2)). Rule 14.13 of the Rulebook and the Contract's terms provide that the Exchange will halt trading (including execution and reporting of block trades) in the Contract at all times that a Regulatory Halt—including any events within the meaning of that term in (i) SEC Rule 6h-1(a)(3) and CFTC Regulation 41.1(l) and (ii) the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4 631) and as implemented under New York Stock Exchange Rule 7.12 for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility—is in effect for the Underlying Security, including any market-wide circuit breaker halt as provided in Rule 14.13(b), in conformity with Regulation 41.25(b)(2)(i) and the parallel requirement of SEC Rule 6h-1(c).[48] Moreover, the halt regime propagates through the Contract's economics: no Premiums are computed during any halt in the Underlying Security, halted intervals are excluded from the Funding Period, and if trading in the Contract is halted at the Periodic Transfer Time the Settlement Price is determined under Tier 3 (Index Net Change).

Speculative position limits (Regulation 41.25(b)(3)). Regulation 41.25(b)(3) requires a DCM to have rules establishing position limits or position accountability procedures "for the expiring futures contract month," applicable to positions held "during the last three trading days of an expiring contract month," at levels no greater than specified defaults; Regulation 41.25(b)(3)(i)(B) permits a position accountability rule in lieu of a position limit where the six-month total trading volume in the underlying security exceeds 2.5 billion shares and there are more than 40 million shares of estimated deliverable supply, with an information-and-standstill trigger at 25,000 Standard Contract Equivalents. In the ordinary life of the Contract, the concentrated, expiration-driven pressure at which the expiring-month limit regime is directed cannot arise, because there is no scheduled date on which positions must converge to a terminal settlement value or delivery obligation; terminal settlement occurs only upon the contingent, Exchange-declared events addressed under Regulation 41.25(c) below.

The Exchange has nonetheless implemented a framework that meets the regulation on its own terms and exceeds it in application. Rule 14.23(b) of the Rulebook establishes default position limits of 50,000 Standard Contract Equivalents, net or on the same side of the market, at all times other than the last three trading days of an expiring contract, and 25,000 Standard Contract Equivalents (the maximum level Regulation 41.25(b)(3)(i) permits) during those last three trading days; and, because the Contract has no expiring contract month, Rule 14.23(a) maps that final-three-day window to the three trading days preceding any accelerated final settlement or delisting under Rule 14.7, so the regulation's expiring-month limit takes effect at precisely the point at which a perpetual contract can first face terminal settlement pressure. Furthermore, the Contract's terms establish a Position Accountability Level of 25,000 Standard Contract Equivalents, the trigger level specified in Regulation 41.25(b)(3)(i)(B) and the general accountability ceiling of Rule 14.23(d), net or on the same side of the market, applied at all times and administered under Rule 14.24, under which a person at or above that level must provide information regarding the nature, size, and purpose of the position and consent to halt increasing it when so ordered by the Exchange.

Because each Underlying Security has an Estimated Deliverable Supply of not less than 20 million shares (Rule 14.3(f)), the 25,000-Standard Contract Equivalent limit of Rule 14.23(b) is in every case at or below the level that would result from setting a limit at 12.5 percent of Estimated Deliverable Supply under Regulation 41.25(b)(3)(i)(A); and for each Underlying Security that also satisfies both criteria of Regulation 41.25(b)(3)(i)(B) (six-month total trading volume in excess of 2.5 billion shares and Estimated Deliverable Supply in excess of 40 million shares), the Position Accountability Level operates at precisely the trigger level that provision specifies. Positions are aggregated under Rule 14.23(e), and hedging exemptions are available under Rule 14.23(f). Pursuant to Rule 14.23(g), the Exchange calculates Estimated Deliverable

[48] 17 C.F.R. § 240.6h-1(c).

Supply and Six-Month Total Trading Volume on a monthly basis (more frequently than the semi-annual minimum of Regulation 41.25(b)(3)(vi)) and will adjust the applicable levels as required. Should the Exchange in the future list a physically-delivered security futures product on the same underlying security, positions in the physically-delivered contract will not be netted with positions in the Contract for purposes of determining the applicability of position limits, consistent with Regulation 41.25(b)(3)(vii).

Moreover, notwithstanding Rules 14.23(c) and (d), Rule 14.23(a) prohibits positions or positions aggregated with 14.23(e) from exceeding 200,000 Perpetual SFP Standard Contract Equivalents.

Final settlement prices (Regulation 41.25(c)). Regulation 41.25(c)(1) provides that the final settlement price of a cash-settled security futures product must fairly reflect the opening price of the underlying security, with fallbacks in paragraph (c)(2) where an opening price is not readily available and clearing-organization authority in paragraph (c)(3) to determine an alternative final settlement price where necessary for the protection of customers and the public interest; SEC Rule 6h-1(b) is the parallel provision under the Exchange Act.[49] The Contract, by its terms, has no scheduled Expiration Date, no scheduled Last Trading Date, and no scheduled final settlement: in the ordinary course, positions terminate exclusively by offset at prices the position holder accepts in the market, and the daily Settlement Price (the "Daily Settlement Price" for purposes of Rule 14.12 of the Rulebook) is a daily mark determined once per day, at the scheduled close of the U.S. equity cash market, for variation margin and Periodic Transfer purposes under the tiered methodology of Rule 14.12 and the Contract's terms; it is not a final settlement price within the meaning of Regulation 41.25(c). A final settlement price arises for the Contract only upon the contingent termination events for which Chapter 14 of the Rulebook expressly provides: delisting following a failure of the maintenance standards of Rule 14.6 (and subsequent failure to meet the maintenance requirements at the expiration of the 90 day cure period provided for therein) or the occurrence of an immediate delisting event with respect to an Underlying Security under Rule 14.6(c), and accelerated final settlement declared under Rules 14.29(e) and 14.30 in connection with a Corporate Action (such as a cash merger extinguishing the Underlying Security), issuer bankruptcy, delisting or suspension of the Underlying Security, or similar events. In each such case, the Rulebook determines the final settlement price in a manner expressly designed to comply with Regulation 41.25(c). Under Rules 14.7(c) and 14.30(b), the final settlement price is, in order of priority: the consideration payable to holders of the Underlying Security under the announced terms of the relevant Corporate Action, if applicable; otherwise, the opening price of the Underlying Security on its Primary Listing Exchange on the final settlement date: exactly the value Regulation 41.25(c)(1) prescribes; and, where such prices are not readily available, an alternative final settlement price determined in a manner consistent with Regulations 41.25(c)(2) and 41.25(c)(3). Where an opening price is not readily available, Regulation 41.25(c)(2) permits the final settlement price to reflect the price of the underlying security during its most recent regular trading session or the next available opening price. Rule 14.7(c) provides that any final settlement price shall fairly reflect the price or value of the Underlying Security and shall be determined in a manner consistent with Regulation 41.25(c), and the same framework satisfies the parallel requirements of SEC Rule 6h-1(b). The Exchange has discussed the Contract's structure, including its treatment of final settlement, with SEC staff.

Special requirements for physical delivery contracts (Regulation 41.25(d)). Inapplicable. The Contract provides for no physical delivery.

Dual trading (Regulation 41.27). The Exchange operates a fully electronic market. No floor brokers within the meaning of Regulation 41.27 operate on the Exchange, and the Exchange's electronic trading system does not "provide[] market participants with a time or place advantage or the ability to override a predetermined algorithm."[50] Further, Rule 5.17 prohibits any futures commission merchant or introducing broker member of the Exchange from entering into an order to buy or sell a contract for their own account or

[49] 17 C.F.R. § 240.6h-1(b).

[50] 17 C.F.R. § 41.27(b)(2).

any account in which they have a proprietary interest when the intermediary has in hand an order to buy or sell the same contract for a customer at the same price or at the market price

Customer margin (Subpart E; Regulations 41.42 through 41.49). The Contract's margin framework satisfies and, at times, exceeds the minimum requirements set forth by the customer margin rules for security futures adopted jointly by the Commission and the SEC.[51] Regulation 41.45(b) requires initial and maintenance margin of not less than fifteen percent (15%) of the current market value of each security futures position, subject to enumerated offsets that may permit lower levels. Rule 14.16 of the Rulebook imposes a Perpetual SFP Required Margin of not less than 15.50% of the Current Market Value of each position (the "Perpetual SFP Margin Ratio") applied at all times, with no separate initial and maintenance rates (Rule 14.16(c)) and without any reduced margin for strategy-based offsets or exclusions for market makers or exempted persons (as defined in Regulation 41.43(a)(9)), a requirement that strictly exceeds the regulatory minimum. Because the requirement applies continuously to Current Market Value, posted collateral automatically scales with the size of the exposure. Positions are marked to market daily at the Daily Settlement Price under Rule 14.18, with Funding Rate credits and debits applied to account equity without altering the Perpetual SFP Required Margin calculation (Rule 14.18(d)); margin deficiencies trigger margin calls, position-liquidation authority, and the net capital deduction required by Regulation 41.48 (Rule 14.19); and acceptable collateral and its valuation are governed by Rule 14.17, applying Regulation T collateral values to margin securities. The Exchange retains authority under Rule 14.16(e) to impose higher margin requirements and emergency margin authority under Rule 14.22, and Klear retains its risk-management authority as the registered DCO for the Contract.

Funding rate and corporate actions under Chapter 14. The Contract's funding methodology is described and codified in Rule 14.10 (Periodic Transfers and Funding Rate for Perpetual SFPs) and associated definitions in Rule 14.2, which fix the Computation Interval (sixty seconds), the Funding Period (the regular trading session of the U.S. equity cash market), the equally weighted averaging of computed Premiums during each Funding Period, the Deadband Threshold (0.002%), the Maximum Funding Magnitude (±2.00%), and the Periodic Transfer mechanics; requires publication of the funding methodology, each Funding Rate promptly following its determination, and a historical record of Funding Rates; and provides that any amendment to the methodology or to the Contract's funding parameters applies prospectively only. Dividends and other Corporate Actions affecting the Underlying Security are governed by Part VII of Chapter 14 (Rules 14.26–.32): the economics of an Ordinary Dividend are generally transferred between long and short open interest through the Funding Rate under Rule 14.27(a), with no adjustment to the Contract's terms; Extraordinary Dividends and other distributions are generally reflected by per-contract cash amounts or Daily Settlement Price adjustments under Rule 14.27(c). Under Rule 14.28, Stock splits, stock dividends, and consolidations generally adjust the Daily Settlement Price and the number of Perpetual SFP contracts comprising each open position proportionately, while the Contract Unit remains fixed at 100 shares, leaving the notional value of open positions substantially unaffected; and mergers, tender offers, and reorganizations are addressed under Rule 14.29, with accelerated final cash settlement under Rule 14.30 where the Chief Regulatory Officer determines that continued trading would be impracticable or inequitable—in each case under the standard of Rule 14.26(b), which requires

[51] 17 C.F.R. §§ 41.43–.48; 17 C.F.R. §§ 242.400–.406. Academic commenters have emphasized that the prudential risk of a perpetual contract turns not on maximum leverage alone but on the combination of initial margin, maintenance margin, liquidation policy, market liquidity, and the resources available to absorb liquidation shortfalls, and that customer collateral protection, segregation, and default-loss allocation are central where a venue performs clearing functions itself. See Comment Letter of Ariel Zetlin-Jones, Bryan R. Routledge & Nicolas Christin, Carnegie Mellon University, re File No. S7-2026-21 (Aug. 18, 2026), https://www.sec.gov/comments/S7-2026-21/s7202621-1011079-3235289.pdf. The Contract is responsive to each: it does not permit user-selected leverage; margin is set by rule at not less than 15.50% of Current Market Value with no separate maintenance rate; clearing is performed by Klear as a registered DCO independent of the trading venue; and customer margin held in futures accounts is segregated under Section 4d of the Act and Regulation 1.20 pursuant to Rule 14.21(c) of the Rulebook.

determinations that preserve, to the greatest extent practicable, the economic equivalence of open positions immediately before and after the Corporate Action. Any Corporate Action adjustment or other action under Chapter 14 that results in a material change to the Contract's terms is filed with the Commission under Regulation 40.6 or 40.5, and with the SEC as required, pursuant to Rule 14.40.

C. The Contracts Comply with the Core Principles.

The Exchange has conducted a comprehensive analysis of the DCM core principles ("Core Principles") as set forth in Part 38 of the Act. The Core Principles relevant to the Contract are outlined and discussed in further detail in the next appendix, portions of which are filed confidentially.

APPENDIX F—ADDITIONAL COMPLIANCE WITH CORE PRINCIPLES (CONFIDENTIAL IN PART)

Core Principle 2: Compliance with Rules and Impartial Access: The Exchange has adopted the Rulebook, which provides the requirements for accessing and trading on the Exchange. Pursuant to Chapters 2, 3, and 5 of the Rulebook, in utilizing the Exchange's services, all Members must comply with the rules of the Rulebook ("Rules"), cooperate with Exchange investigations, inquiries, audits, examinations and proceedings, and engage in conduct consistent with just and equitable principles of trade. Chapter 3 of the Rulebook also provides clear and transparent access criteria and requirements for Exchange Members. Trading in the Contract will be subject to all of the Rules, which are aimed at enforcing market integrity and customer protection. In particular, Chapter 5 of the Rulebook sets forth the Exchange's Prohibited Transactions and Activities and specifically prescribes the methods by which Members trade contracts, including the Contract. Pursuant to Rule 3.6, each Member is required to cooperate promptly and fully with an Exchange investigation by providing access to information on the activities of the Member in any referenced market, which includes books and records of trading. Pursuant to Rule 9.2, the Exchange may compel testimony, subpoena documents, and require statements under oath from any Member. As described in Rule 9.1, the Exchange conducts trade practice surveillance, market surveillance, and real-time market monitoring to ensure that Members adhere to the Rules of the Exchange. The Exchange, through the compliance department, initiates review and, where appropriate, investigates unusual trading activity. The compliance department also investigates any time it has other reason to believe that inappropriate activity of any sort is taking place on the Kalshi Platform or its website.

Core Principle 2 also stipulates that an exchange shall establish means to provide market participants with impartial access to the market. Chapter 3 of the Rulebook, and Rule 3.1 in particular, provides clear and transparent access criteria and requirements for Members. The Exchange will apply access criteria in an impartial manner, including through the application process described in Rule 3.1.

Core Principle 3: Contract not Readily Subject to Manipulation:

Core Principle 3 and Rule 38.200 provide that a DCM shall not list for trading contracts that are readily susceptible to manipulation. The Exchange's marketplace and contracts, including this Contract, have been designed in accordance with this fundamental principle.

The Exchange believes that its listing standards for the Contracts are designed to ensure that Perpetual SFPs and their Underlying Securities will not be readily susceptible to price manipulation. In particular, Part II of Chapter 14 includes several initial and maintenance listing criteria that are significantly more stringent than the listing standards in SLB 15. Specifically, the Exchange's initial listing standards require that the Underlying Security for a Perpetual SFP have an estimated deliverable supply in excess of 20 million shares (Rule 14.3(f)), a minimum market capitalization of $100 billion (Rule 14.3(b)) and an ADTV of at least $450 million over the prior six months or higher for securities with less than six months trading history (Rule 14.3(c)).

Pursuant to Rule 14.6, the Exchange will delist a Perpetual SFP on an Underlying Security that fails to meet its maintenance standards following the expiration of a ninety (90) day cure period or that is subject to an immediate delisting event (Rule 14.6(c)). Several of the Rule 14.6 maintenance standards proposed by the Exchange are more stringent than the corresponding standards in SLB 15, requiring the Underlying Security to maintain an estimated deliverable supply in excess of 20 million shares, a market capitalization of at least $50 billion and a minimum ADTV of at least $200 million for the prior calendar quarter or higher for securities that have been listed for trading for less than a quarter. In addition, Rule 14.4 categorically excludes, among other securities, any security that is subject to a trading halt, suspension or revocation of listing by its principal listing exchange, ensuring that securities with cash markets experiencing significant disruption, including due to potential manipulation, may not become Underlying Securities of Perpetual SFPs. And, in addition to these minimum criteria, the NPC shall, pursuant to Rule 14.8, specifically

consider the susceptibility to manipulation of a security when determining whether to permit the listing of a Perpetual SFP on such security, and retains discretion to decline to list a Perpetual SFP on any security regardless of whether the security satisfies the aforementioned criteria.

Further, the Funding Rate calculation methodology for Perpetual SFPs is carefully designed to ensure that periodic funding obligations of holders of Perpetual SFPs are resilient to disruptive or anomalous trading behavior affecting both Perpetual SFPs and their Underlying Securities. First, each of the inputs to the Funding Rate calculation is independently resistant to manipulation, as further described below: the Reference Price (the time-weighted average of the Underlying Price Index over a given Computation Interval) reflects real-time consolidated equity cash market data, thereby incorporating the depth, liquidity and competitive price discovery of U.S. cash equity markets, while the Settlement Price (which equals the Mark Price as of the Periodic Transfer Time) is calculated through an objective, tiered methodology designed to prevent isolated or anomalous activity from materially affecting the calculation.

The Exchange will also maintain several controls external to the Funding Rate calculation methodology to ensure the integrity of daily funding settlements and their resistance to manipulation. As provided in Rule 14.10(i), the Exchange will monitor the performance of the funding mechanism in maintaining economic correspondence between the price of each Perpetual SFP and its corresponding Underlying Price Index, including through surveillance of Premium behavior around the Daily Settlement Time to identify any unusual, potentially manipulative or disruptive trading behavior occurring near a daily settlement period. The Exchange may amend the Funding Rate methodology and related parameters (*e.g.*, the Deadband Threshold and Maximum Funding Magnitude) in accordance with applicable Exchange Rules and applicable law. Funding Rates and associated periodic funding payment transfers may also be subject to the Exchange's Market Outcome Review Process, set forth in Exchange Rule 7.1, whereby the Exchange's Outcome Review Committee, a standing committee consisting of three members, two of which must be Public Directors appointed by the Exchange's Regulatory Oversight Committee pursuant to Exchange Rule 2.7(e), may determine the final settlement outcome of the Perpetual SFP for the applicable daily settlement period. The Exchange may initiate the Market Outcome Review Process at its sole discretion and by taking into account circumstances that may have a material impact on the reliability or transparency of the underlying related to a contract (*i.e.*, the Underlying Price Index of a Perpetual SFP). Additionally, pursuant to Rule 14.10(g), the Exchange may initiate the Market Outcome Review Process for any daily settlement for which the Daily Settlement Price cannot be determined under Rule 14.12 and a Perpetual SFP's terms and conditions. Finally, Rule 14.10(j) provides that the Exchange may take such actions as it deems necessary and appropriate in accordance with the procedures set forth in Exchange Rule 2.8 – including, but not limited to, temporarily adjusting the Maximum Funding Magnitude, modifying margin requirements or imposing additional risk controls – in the event of an "Emergency" as defined in Exchange Rule 2.8. Collectively, these controls supplement the already manipulation-resistant funding calculation methodology by ensuring the availability of controls within the discretion of the Exchange to detect, remedy and deter manipulation.

More generally, the Exchange maintains various safeguards against price manipulation and all other forms of manipulation, including, (i) real-time market monitoring, automated trade surveillance, and suspicious behavior detection, (ii) Rulebook prohibitions, Member certification, and notification, (iii) Member monitoring and know-your-customer verification, and (iv) sanctions. These safeguards will be applied with respect to trading in the Contract and render the Contract not readily susceptible to manipulation.

(i) **Real-time market monitoring, automated trade surveillance, and suspicious behavior detection**: Kalshi conducts real-time market monitoring of all trading activity on the Exchange to identify disorderly trading and any market or system anomalies. As described in Rule 5.11, Kalshi has the authority to adjust trade prices or cancel trades when necessary to mitigate market disrupting events caused by malfunctions in its electronic trading platform or errors in orders submitted by members and market participants. Any trade price adjustments or trade cancellations must be transparent to the market and subject to standards that are

clear, fair, and publicly available. Kalshi also maintains an automated trade surveillance system capable of detecting and investigating potential trade practice violations. The automated system loads and processes orders and trades as they occur on the Exchange (well within 24 hours after the completion of the trading day stated in Commission Regulation 38.156). The automated trade surveillance system has the ability to detect and flag specific trade execution patterns and trade anomalies; compute, retain, and compare trading statistics; compute trade gains, losses, and positions; reconstruct the sequence of market activity; perform market analyses; and support system users to perform in-depth analyses and ad hoc queries of trade-related data. As described in Rule 9.2(a), Kalshi's Compliance Department investigates unusual trading activity or other activity that the Compliance Department has reasonable cause to believe could constitute a violation of Kalshi's Rules, or upon the receipt of a request from Commission staff. The Exchange disciplinary process is conducted in accordance with Chapter 9 of the Exchange Rulebook, and penalties may be imposed in accordance with Rule 9.5.

(ii) **Rulebook prohibitions, member certification and notification:** The Exchange's Rulebook includes various provisions that prohibit manipulative behaviors. As noted above in the discussion of Core Principle 2, the Exchange's Rulebook gives the Exchange the authority to investigate potential violations of its rules. Pursuant to Rule 3.6, each Member is required to cooperate promptly and fully with an Exchange investigation by providing access to information on the activities of the Member in any referenced market, which includes books and records of trading. Pursuant to Rule 9.2, the Exchange may compel testimony, subpoena documents, and require statements under oath from any Member. The Exchange's Surveillance Officers, which operate within the Compliance Department, perform trade practice surveillance and real-time market monitoring to ensure that Members adhere to the Exchange's rules. The Rulebook also imposes sanctions on Members who break rules. Potential penalties include fines, disgorgement, and revocation of membership in Kalshi. Only Members are allowed to trade on the Exchange, and the Exchange requires its Members to strictly comply with the Rulebook. Members cannot complete the account creation process and trade on the Exchange until they certify that they have read the Exchange's rules and agree to be bound by them.

(iii) **Member monitoring and know-your-customer verification ("KYC")**: The Exchange has a robust KYC process. The KYC process is an important tool that helps flag and uncover higher risk traders before they become Members of the platform. The Exchange's KYC process ensures that the Exchange has access to all of its members' personal identifying information, and the Exchange can leverage this information as part of its surveillance and to ensure the overall fairness and integrity of its markets. During the application process, individual applicants are required to share personally identifiable information, such as their full legal name, social security number, date of birth, and address with the Exchange. Applicant information is run through a comprehensive set of databases that are actively compiled and maintained by an independent third party. The databases are utilized by the Exchange to identify applicants that are employees or affiliates of various governments and other agencies.

Additionally, as part of the KYC process for its individual members, the Exchange runs applicants through adverse media databases. The adverse media dataset is a real-time structured data feed of companies and individuals subject to adverse media. Monitoring thousands of news sources, business and trade journals, in addition to local, regional and national newspapers, the adverse media feed isolates and highlights any entities or individuals subject to a range of adverse media. The Exchange utilizes the database to trigger enhanced due diligence, because applicants with adverse media may be more likely to engage in certain types of unlawful activity including market manipulation.

(iv) **Sanctions**: Exchange Members must agree to the terms and conditions of the Exchange's Rulebook before being allowed to trade. As a result, Members are subject to disciplinary actions and fines for engaging in improper market conduct that is prohibited by the Exchange's Rulebook. In the event that suspicious trading activity is detected and results in an investigation initiated by the Exchange, market participants are required to provide the Exchange with information relevant to the scope of the investigation

under Rule 3.6. Chapter 9 of the Exchange's Rulebook details the process for discipline and rule enforcement. Disciplinary action can range from a letter of warning to fines to referral to governmental authorities that can result in criminal prosecution.

In addition to the foregoing surveillance, enforcement, and KYC safeguards, Rule 14.14 of the Rulebook requires the Exchange to maintain pre-trade and intra-trade safeguards for the Contract, including price reasonability checks, dynamic and static price bands, volatility interruption mechanisms, and maximum order size and value limits, operative at all times the Contract trades, including during periods when the U.S. equity cash market is closed.

First, the Exchange applies price reasonability checks and price bands to incoming orders before they are inserted into the order book. These include dynamic price bands calculated by reference to prevailing market prices and Static Daily Limits (maximum permitted deviations from the Static Reference Price, ordinarily the prior trading day's Daily Settlement Price), with the parameters, procedures, and methodologies for each safeguard established and published by Exchange Notice or technical specification pursuant to Rule 14.14(b). Orders priced outside the applicable bands are rejected before insertion; a previously accepted resting order that later falls outside a band may remain in the order book unless cancelled, modified, executed, or otherwise addressed pursuant to the Exchange's Rules. Pursuant to Rules 14.14(c) and 14.39(a), the parameters for static price limits are calibrated to be consistent with the margin requirements applied to the Contract by the Clearing House, so that the maximum permitted intraday price movement does not exceed the coverage provided by margin under normal market conditions.

Second, Rule 14.14 provides for volatility interruption mechanisms and maximum order size and value limits, which operate separately from the price bands: the bands govern the prices at which incoming orders may be entered, while volatility interruptions pause trading upon disorderly price movement and size and value limits constrain the scale of activity a participant may submit through the order entry system. Rule 14.14(d) additionally requires self-match prevention functionality, under which orders bearing the same designated self-match prevention identifier are not permitted to execute against one another, a structural safeguard against wash trading and self-referencing transactions in the Contract.

Third, during Stressed Market Conditions declared under Rule 14.15(b), including periods of extreme price volatility, Regulatory Halts (including circuit breaker halts), or a significant disruption in the availability or reliability of pricing for the Underlying Security, the Exchange may widen, narrow, or otherwise modify any safeguard parameter without prior notice, and the Exchange retains discretionary authority under Rule 14.15(a) to halt, suspend, or restrict trading in the Contract whenever necessary or appropriate to maintain fair and orderly markets, protect market participants, or address an emergency. Together, these pre-trade and intra-trade controls provide complementary protections against erroneous order entry, disorderly trading, excessive concentration, and related risks to market integrity.

Moreover, the specifics of the Contracts satisfy the Core Principle 3 standard through multiple, independent, and mutually reinforcing layers of structural design and institutional safeguards, as set forth below.

[Remaining CP3 analysis filed confidentially]

Core Principle 4: Prevention of Market Disruption: Trading in the Contract will be subject to the Rules of the Exchange, which include prohibitions on manipulation. Trading activity in the Contract will be subject to monitoring and surveillance by the Exchange's Market Surveillance Department. In particular, the Exchange's trade surveillance system monitors the trading on the Exchange to detect and prevent activities that threaten market integrity and market fairness including manipulation, price distortion, and disruptions of the settlement process. The Exchange also performs real-time market surveillance. The Exchange sets position limits and position accountability levels, maintains both a trade practice and market surveillance program to monitor for market abuses, including manipulation, and has disciplinary procedures for violations of the Rulebook.

Core Principle 5: Position Limitations: Kalshi has conducted an analysis of position limits in connection with this product. Because the Contract is a security futures product, position limits and position accountability are governed by the specific requirements of Regulation 41.25(b)(3) rather than the Part 150 regime applicable to enumerated commodities, and Part VI of Chapter 14 of the Rulebook implements those requirements conservatively, as described in Appendix E: Rule 14.23(b) establishes default position limits of 50,000 Standard Contract Equivalents at all times other than the last three trading days of an expiring contract, and 25,000 Standard Contract Equivalents during that final window, which Rule 14.23(a) maps, for the Contract, to the three trading days preceding any accelerated final settlement—in each case net or on the same side of the market—and caps (notwithstanding Rules 14.23(c) and (d)) at 200,000 Standard Contract Equivalents, with aggregation under Rule 14.23(e) and hedging exemptions available under Rule 14.23(f); the Contract's terms separately establish a Position Accountability Level of 25,000 Standard Contract Equivalents, administered under Rule 14.24; Rule 14.25 requires daily large trader reports for any account at or above 5,000 Standard Contract Equivalents; and each Underlying Security satisfies the Estimated Deliverable Supply criterion of Rule 14.3(f), so that the Rule 14.23(b) limits are in every case at or below the level Regulation 41.25(b)(3)(i)(A) would produce, while those Underlying Securities that satisfy both criteria of Regulation 41.25(b)(3)(i)(B) qualify for position accountability treatment under that provision.

Because the Contract has no expiring contract month, no delivery period, and no scheduled final settlement, the corner-and-squeeze dynamics at which expiring-month position limits are directed cannot arise in the ordinary life of the Contract; where final settlement is declared under Rule 14.7 or 14.30, the 25,000-Standard Contract Equivalent final-three-day limit of Rule 14.23(b) takes effect for the window preceding settlement. The continuous application of limits and accountability gives the Exchange's market surveillance team standing authority to examine the circumstances surrounding any large position (including the participant's trading activity in the Contract, the Underlying Security, and related options; hedging rationale; and potential impact on market integrity) and to order that a position not be increased. Pursuant to Rule 14.23(g), the Exchange recalculates Estimated Deliverable Supply and Six-Month Total Trading Volume on a monthly basis, more frequently than the semi-annual minimum of Regulation 41.25(b)(3)(vi), and the Exchange reserves the right to impose additional risk controls under DCM Rule 2.8 and Rule 14.15 of the Rulebook if conditions warrant. This approach meets or exceeds the requirements of Regulation 41.25(b)(3) at every point and appropriately balances market integrity objectives against the risk of unnecessarily constraining legitimate hedging and trading activity in a deeply liquid underlying market.

Core Principles 7 and 8: Availability of General Information and Daily Publication of Trading Information: Core Principles 7 and 8, implemented by CFTC Regulations §§ 38.400, 38.401, 38.450, and 38.451, require a DCM to make available to the public accurate information regarding the contract terms and conditions, daily information on contracts such as settlement price, volume, open interest, and opening and closing ranges, the rules, regulations, and mechanisms for executing transactions on or through the facilities of the contract market, and the rules and specifications describing the operation of the contract market's electronic matching platform.

Rule 2.17 of the Rulebook sets forth the rules for publicizing information. The Rulebook and the specifications of each contract listed on the Exchange, including the Contract, are made public on the Exchange website and remain accessible via the platform. The Exchange will post non-confidential materials associated with regulatory filings, including the Rulebook, at the time the Exchange submits such filings to the Commission. Consistent with Rule 2.17 of the Rulebook, the Exchange website will publish contract specifications, terms, and conditions, as well as daily trading volume and open interest for the Contract. Each contract has a dedicated "Market Page" on the Kalshi Exchange platform, which will contain the information described above as well as a link to the Underlying Price Index. Chapter 5 sets forth the rules, regulations and mechanisms for executing transactions, and the rules and specifications for Kalshi's trading systems.

Core Principle 11: Financial Integrity of Transactions: Each Member must be in good standing and in compliance with the Member eligibility standards set forth in Chapter 3 of the Rulebook. All contracts offered by the Exchange, including the Contract, are cleared through Klear, a DCO registered with the CFTC and subject to all CFTC Regulations related thereto. Klear performs the functions of a clearing agency solely with respect to security futures products effected pursuant to the Rules of the Exchange, the DCM with which it is associated, and is accordingly exempt from Section 17A of the Exchange Act and the rules and regulations thereunder pursuant to Section 17A(b)(7)(A). The Exchange requires that Members post the Perpetual SFP Required Margin—for customers, not less than 15.50% of the Current Market Value of each position, applied at all times in accordance with Rules 14.16 through 14.22 of the Rulebook and Regulations 41.43 through 41.48—before entering into positions and for as long as positions remain open. Because the requirement applies continuously to Current Market Value, posted collateral automatically scales with the size of the exposure, and positions that fall below required margin levels are subject to margin calls and liquidation under Rule 14.19. Customer margin deposits for positions in the Contract held in futures accounts are segregated in accordance with Section 4d of the Act and Regulation 1.20, as required by Rule 14.21(c) of the Rulebook, and may be held in the same segregated account as other domestic futures customer funds; the protection of customer funds is monitored by the Exchange and ensured by Klear.

All Remaining Requirements: All remaining Core Principles are satisfied through operation of the Exchange's Rules, processes, and policies applicable to the other contracts traded thereon.

Bitnomial Exchange, LLC

AAPLPERP - Product Approval Request

September 18, 2026

BTNL-2026-107 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Apple Perpetual Futures (AAPLPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Apple Perpetual Futures, product code AAPLPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Apple Inc. common stock, ticker AAPL, CUSIP 037833100 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - AAPLPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Apple common stock and the AAPL CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-107
Product	Apple Perpetual Futures; AAPLPERP; cash-settled perpetual futures on Apple Inc. common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Apple common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Apple.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **AAPL CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of AAPLPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Apple Inc. common stock (AAPL), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to AAPLPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Apple common stock: estimated average daily transaction value of approximately $14.892 billion, more than 33 times the $450 million initial-listing threshold, and average daily share volume of approximately 50.26 million. The lowest estimated daily transaction value in the period was approximately

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$7.194 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of AAPLPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of AAPL, listed AAPL options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, AAPL Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $14,891,849,956.03. Average daily share volume is approximately 50,260,256; the minimum estimated daily value is $7,193,776,375.40.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 14.57 billion shares, reviewed September 18, 2026, that exposure is approximately 0.1373% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for AAPLPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Stock Analysis, AAPL share statistics, public float of approximately 14.57 billion shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant AAPL and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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AAPLPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). AAPLPERP supports an additional means of obtaining or hedging Apple equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting AAPLPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning AAPLPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Apple common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted

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under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of AAPL, an option on AAPL, or an option on a group or index including AAPL, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which AAPL trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which AAPL trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which AAPL trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for AAPL and whenever Nasdaq, as the primary listing market, halts or pauses AAPL, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after AAPL trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint

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rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

AAPLPERP - Contract Terms and Conditions

Attachment A | Apple Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Apple Perpetual Futures
Product Code	AAPLPERP
Underlying	Common stock of Apple Inc. (CUSIP 037833100; ticker symbol AAPL)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the AAPL CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the AAPL CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

MSFTPERP - Product Approval Request

September 18, 2026

BTNL-2026-108 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Microsoft Perpetual Futures (MSFTPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Microsoft Perpetual Futures, product code MSFTPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Microsoft Corporation common stock, ticker MSFT, CUSIP 594918104 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - MSFTPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Microsoft common stock and the MSFT CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-108
Product	Microsoft Perpetual Futures; MSFTPERP; cash-settled perpetual futures on Microsoft Corporation common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Microsoft common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Microsoft.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **MSFT CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of MSFTPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Microsoft Corporation common stock (MSFT), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to MSFTPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Microsoft common stock: estimated average daily transaction value of approximately $14.651 billion, more than 32 times the $450 million initial-listing threshold, and average daily share volume of approximately 35.19 million. The lowest estimated daily transaction value in the period was

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approximately $6.021 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of MSFTPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of MSFT, listed MSFT options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, MSFT Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $14,650,803,021.93. Average daily share volume is approximately 35,192,053; the minimum estimated daily value is $6,020,733,021.60.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 7.31 billion shares, reviewed September 18, 2026, that exposure is approximately 0.2736% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for MSFTPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Finviz, MSFT share statistics, public float of approximately 7.31 billion shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant MSFT and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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MSFTPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). MSFTPERP supports an additional means of obtaining or hedging Microsoft equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting MSFTPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning MSFTPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Microsoft common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted

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under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of MSFT, an option on MSFT, or an option on a group or index including MSFT, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which MSFT trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which MSFT trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which MSFT trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for MSFT and whenever Nasdaq, as the primary listing market, halts or pauses MSFT, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after MSFT trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint

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rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

MSFTPERP - Contract Terms and Conditions

Attachment A | Microsoft Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Microsoft Perpetual Futures
Product Code	MSFTPERP
Underlying	Common stock of Microsoft Corporation (CUSIP 594918104; ticker symbol MSFT)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the MSFT CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the MSFT CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
a PAYWARD company

CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

NVDAPERP - Product Approval Request

September 18, 2026

BTNL-2026-109 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of NVIDIA Perpetual Futures (NVDAPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits NVIDIA Perpetual Futures, product code NVDAPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on NVIDIA Corporation common stock, ticker NVDA, CUSIP 67066G104 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - NVDAPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for NVIDIA common stock and the NVDA CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-109
Product	NVIDIA Perpetual Futures; NVDAPERP; cash-settled perpetual futures on NVIDIA Corporation common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to NVIDIA common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in NVIDIA.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **NVDA CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of NVDAPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that NVIDIA Corporation common stock (NVDA), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to NVDAPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in NVIDIA common stock: estimated average daily transaction value of approximately $30.457 billion, more than 67 times the $450 million initial-listing threshold, and average daily share volume of approximately 148.74 million. The lowest estimated daily transaction value in the period was

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approximately $17.040 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of NVDAPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of NVDA, listed NVDA options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, NVDA Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $30,457,425,662.82. Average daily share volume is approximately 148,739,774; the minimum estimated daily value is $17,040,304,689.20.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 23.13 billion shares, reviewed September 18, 2026, that exposure is approximately 0.0865% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for NVDAPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Yahoo Finance, NVDA share statistics, public float of approximately 23.13 billion shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant NVDA and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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NVDAPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). NVDAPERP supports an additional means of obtaining or hedging NVIDIA equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting NVDAPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning NVDAPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is NVIDIA common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of

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the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of NVDA, an option on NVDA, or an option on a group or index including NVDA, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which NVDA trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which NVDA trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which NVDA trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for NVDA and whenever Nasdaq, as the primary listing market, halts or pauses NVDA, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after NVDA trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin

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rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

NVDAPERP - Contract Terms and Conditions

Attachment A | NVIDIA Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	NVIDIA Perpetual Futures
Product Code	NVDAPERP
Underlying	Common stock of NVIDIA Corporation (CUSIP 67066G104; ticker symbol NVDA)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the NVDA CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the NVDA CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

TSLAPERP - Product Approval Request

September 18, 2026

BTNL-2026-110 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Tesla Perpetual Futures (TSLAPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Tesla Perpetual Futures, product code TSLAPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Tesla, Inc. common stock, ticker TSLA, CUSIP 88160R101 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - TSLAPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Tesla common stock and the TSLA CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-110
Product	Tesla Perpetual Futures; TSLAPERP; cash-settled perpetual futures on Tesla, Inc. common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Tesla common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Tesla.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **TSLA CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of TSLAPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Tesla, Inc. common stock (TSLA), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to TSLAPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Tesla common stock: estimated average daily transaction value of approximately $18.891 billion, more than 41 times the $450 million initial-listing threshold, and average daily share volume of approximately 49.66 million. The lowest estimated daily transaction value in the period was approximately

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$7.770 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of TSLAPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of TSLA, listed TSLA options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, TSLA Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $18,890,797,489.23. Average daily share volume is approximately 49,664,475; the minimum estimated daily value is $7,769,525,996.30.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 2.82 billion shares, reviewed September 18, 2026, that exposure is approximately 0.7092% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for TSLAPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Stock Analysis, TSLA share statistics, public float of approximately 2.82 billion shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant TSLA and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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TSLAPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). TSLAPERP supports an additional means of obtaining or hedging Tesla equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting TSLAPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning TSLAPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Tesla common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted

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under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of TSLA, an option on TSLA, or an option on a group or index including TSLA, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which TSLA trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which TSLA trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which TSLA trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for TSLA and whenever Nasdaq, as the primary listing market, halts or pauses TSLA, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after TSLA trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint

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rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

TSLAPERP - Contract Terms and Conditions

Attachment A | Tesla Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Tesla Perpetual Futures
Product Code	TSLAPERP
Underlying	Common stock of Tesla, Inc. (CUSIP 88160R101; ticker symbol TSLA)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the TSLA CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the TSLA CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

SPCXPERP - Product Approval Request

September 18, 2026

BTNL-2026-111 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of SpaceX Perpetual Futures (SPCXPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits SpaceX Perpetual Futures, product code SPCXPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Space Exploration Technologies Corp. Class A common stock, ticker SPCX, CUSIP 84615Q103 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - SPCXPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for SpaceX Class A common stock and the SPCX CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-111
Product	SpaceX Perpetual Futures; SPCXPERP; cash-settled perpetual futures on Space Exploration Technologies Corp. Class A common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to SpaceX Class A common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in SpaceX.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **SPCX CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of SPCXPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Space Exploration Technologies Corp. Class A common stock (SPCX), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to SPCXPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 20 sessions from August 17 through September 14, 2026, demonstrate substantial activity in SpaceX Class A common stock: estimated average daily transaction value of approximately $11.302 billion, more than 11 times the $1 billion prior-month threshold, and average daily share volume of approximately 78.53 million. The lowest estimated daily transaction value in the period

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was approximately $7.022 billion.[1] SPCX began trading on June 12, 2026; the prior-month alternative in Rule 515.1.7 applies because the Underlying has less than six months of trading history. The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of SPCXPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of SPCX, listed SPCX options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial activity during the prior-month observation period does not establish equal depth in every session. The Exchange assesses available liquidity, concentra-

[1] Nasdaq, SPCX Historical Data, 20 sessions from August 17 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $11,302,293,344.03. Average daily share volume is approximately 78,530,219; the minimum estimated daily value is $7,021,943,998.60. The prior-month calendar window is August 15 through September 14, 2026; its first trading session was August 17.

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tion and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies; Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 1.91 billion Class A shares, reviewed September 18, 2026, that exposure is approximately 1.0471% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for SPCXPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain

[2] Stock Analysis, SPCX share statistics, public float of approximately 1.91 billion Class A shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant SPCX and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition

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requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing SPCXPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). SPCXPERP supports an additional means of obtaining or hedging SpaceX equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting SPCXPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning SPCXPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is SpaceX Class A common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules

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comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of SPCX, an option on SPCX, or an option on a group or index including SPCX, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which SPCX trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which SPCX trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which SPCX trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for SPCX and whenever Nasdaq, as the primary listing market, halts or pauses SPCX, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after SPCX trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

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(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

SPCXPERP - Contract Terms and Conditions

Attachment A | SpaceX Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	SpaceX Perpetual Futures
Product Code	SPCXPERP
Underlying	Class A common stock of Space Exploration Technologies Corp. (CUSIP 84615Q103; ticker symbol SPCX)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the SPCX CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the SPCX CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

AMZNPERP - Product Approval Request

September 18, 2026

BTNL-2026-112 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Amazon Perpetual Futures (AMZNPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Amazon Perpetual Futures, product code AMZNPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Amazon.com, Inc. common stock, ticker AMZN, CUSIP 023135106 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - AMZNPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Amazon common stock and the AMZN CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-112
Product	Amazon Perpetual Futures; AMZNPERP; cash-settled perpetual futures on Amazon.com, Inc. common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Amazon common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Amazon.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **AMZN CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of AMZNPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Amazon.com, Inc. common stock (AMZN), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to AMZNPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Amazon common stock: estimated average daily transaction value of approximately $11.332 billion, more than 25 times the $450 million initial-listing threshold, and average daily share volume of approximately 45.78 million. The lowest estimated daily transaction value in the period was

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approximately $5.402 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of AMZNPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of AMZN, listed AMZN options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, AMZN Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $11,332,491,971.92. Average daily share volume is approximately 45,778,157; the minimum estimated daily value is $5,401,780,545.00.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 9.81 billion shares, reviewed September 18, 2026, that exposure is approximately 0.2039% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for AMZNPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Stock Analysis, AMZN share statistics, public float of approximately 9.81 billion shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant AMZN and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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AMZNPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). AMZNPERP supports an additional means of obtaining or hedging Amazon equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting AMZNPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning AMZNPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Amazon common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted

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under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of AMZN, an option on AMZN, or an option on a group or index including AMZN, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which AMZN trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which AMZN trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which AMZN trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for AMZN and whenever Nasdaq, as the primary listing market, halts or pauses AMZN, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after AMZN trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint

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rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

AMZNPERP - Contract Terms and Conditions

Attachment A | Amazon Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Amazon Perpetual Futures
Product Code	AMZNPERP
Underlying	Common stock of Amazon.com, Inc. (CUSIP 023135106; ticker symbol AMZN)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the AMZN CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the AMZN CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

AVGOPERP - Product Approval Request

September 18, 2026

BTNL-2026-113 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Broadcom Perpetual Futures (AVGOPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Broadcom Perpetual Futures, product code AVGOPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Broadcom Inc. common stock, ticker AVGO, CUSIP 11135F101 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - AVGOPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Broadcom common stock and the AVGO CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-113
Product	Broadcom Perpetual Futures; AVGOPERP; cash-settled perpetual futures on Broadcom Inc. common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Broadcom common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Broadcom.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **AVGO CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of AVGOPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Broadcom Inc. common stock (AVGO), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to AVGOPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Broadcom common stock: estimated average daily transaction value of approximately $9.490 billion, more than 21 times the $450 million initial-listing threshold, and average daily share volume of approximately 24.71 million. The lowest estimated daily transaction value in the period was

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approximately $3.808 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of AVGOPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of AVGO, listed AVGO options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, AVGO Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $9,489,898,004.22. Average daily share volume is approximately 24,707,279; the minimum estimated daily value is $3,808,168,636.20.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 4.71 billion shares, reviewed September 18, 2026, that exposure is approximately 0.4246% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for AVGOPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Stock Analysis, AVGO share statistics, public float of approximately 4.71 billion shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant AVGO and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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AVGOPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). AVGOPERP supports an additional means of obtaining or hedging Broadcom equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting AVGOPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning AVGOPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Broadcom common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted

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under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of AVGO, an option on AVGO, or an option on a group or index including AVGO, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which AVGO trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which AVGO trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which AVGO trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for AVGO and whenever Nasdaq, as the primary listing market, halts or pauses AVGO, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after AVGO trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint

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rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

AVGOPERP - Contract Terms and Conditions

Attachment A | Broadcom Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Broadcom Perpetual Futures
Product Code	AVGOPERP
Underlying	Common stock of Broadcom Inc. (CUSIP 11135F101; ticker symbol AVGO)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the AVGO CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the AVGO CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

MUPERP - Product Approval Request

September 18, 2026

BTNL-2026-114 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Micron Perpetual Futures (MUPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Micron Perpetual Futures, product code MUPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Micron Technology, Inc. common stock, ticker MU, CUSIP 595112103 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - MUPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Micron common stock and the MU CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-114
Product	Micron Perpetual Futures; MUPERP; cash-settled perpetual futures on Micron Technology, Inc. common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Micron common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Micron.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **MU CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of MUPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Micron Technology, Inc. common stock (MU), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to MUPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Micron common stock: estimated average daily transaction value of approximately $35.992 billion, more than 79 times the $450 million initial-listing threshold, and average daily share volume of approximately 45.97 million. The lowest estimated daily transaction value in the period was approximately

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$12.463 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of MUPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of MU, listed MU options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies; Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

[1] Nasdaq, MU Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $35,991,591,257.10. Average daily share volume is approximately 45,967,917; the minimum estimated daily value is $12,463,100,426.20.

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Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 1.13 billion shares, reviewed September 18, 2026, that exposure is approximately 1.7699% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for MUPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through

[2] Stock Analysis, MU share statistics, public float of approximately 1.13 billion shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant MU and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing MUPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

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Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). MUPERP supports an additional means of obtaining or hedging Micron equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting MUPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning MUPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Micron common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations.

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FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of MU, an option on MU, or an option on a group or index including MU, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which MU trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which MU trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which MU trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for MU and whenever Nasdaq, as the primary listing market, halts or pauses MU, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after MU trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

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6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

MUPERP - Contract Terms and Conditions

Attachment A | Micron Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Micron Perpetual Futures
Product Code	MUPERP
Underlying	Common stock of Micron Technology, Inc. (CUSIP 595112103; ticker symbol MU)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the MU CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the MU CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

GOOGLPERP - Product Approval Request

September 18, 2026

BTNL-2026-115 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Alphabet Perpetual Futures (GOOGLPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Alphabet Perpetual Futures, product code GOOGLPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Alphabet Inc. Class A common stock, ticker GOOGL, CUSIP 02079K305 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - GOOGLPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Alphabet Class A common stock and the GOOGL CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-115
Product	Alphabet Perpetual Futures; GOOGLPERP; cash-settled perpetual futures on Alphabet Inc. Class A common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Alphabet Class A common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Alphabet.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **GOOGL CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of GOOGLPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Alphabet Inc. Class A common stock (GOOGL), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to GOOGLPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Alphabet Class A common stock: estimated average daily transaction value of approximately $10.362 billion, more than 23 times the $450 million initial-listing threshold, and average daily share volume of approximately 29.75 million. The lowest estimated daily transaction value in the period was

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approximately $5.083 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of GOOGLPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of GOOGL, listed GOOGL options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, GOOGL Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $10,361,632,269.04. Average daily share volume is approximately 29,754,320; the minimum estimated daily value is $5,083,477,545.10.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 5.85 billion Class A shares, reviewed September 18, 2026, that exposure is approximately 0.3419% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for GOOGLPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Finviz, GOOGL share statistics, public float of approximately 5.85 billion Class A shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant GOOGL and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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GOOGLPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). GOOGLPERP supports an additional means of obtaining or hedging Alphabet equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting GOOGLPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning GOOGLPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Alphabet Class A common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of

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the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of GOOGL, an option on GOOGL, or an option on a group or index including GOOGL, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which GOOGL trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which GOOGL trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which GOOGL trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for GOOGL and whenever Nasdaq, as the primary listing market, halts or pauses GOOGL, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after GOOGL trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

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(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

GOOGLPERP - Contract Terms and Conditions

Attachment A | Alphabet Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Alphabet Perpetual Futures
Product Code	GOOGLPERP
Underlying	Class A common stock of Alphabet Inc. (CUSIP 02079K305; ticker symbol GOOGL)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the GOOGL CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the GOOGL CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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cfbenchmarks
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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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Bitnomial Exchange, LLC

PLTRPERP - Product Approval Request

September 18, 2026

BTNL-2026-116 | Listing of Security Futures Product

SUBMITTED VIA CFTC PORTAL

Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Regulation 41.23(b) request for approval of Palantir Perpetual Futures (PLTRPERP)

Dear Sir or Madam:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "CEA" or "Act") and Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 41.23(b), using the product-approval procedures of Regulation 40.3, Bitnomial Exchange, LLC (the "Exchange"), a designated contract market ("DCM"), submits Palantir Perpetual Futures, product code PLTRPERP (the "Contract"), for Commission review and approval. The Contract is a cash-settled security futures product ("SFP") on Palantir Technologies Inc. Class A common stock, ticker PLTR, CUSIP 69608A108 (the "Underlying"). Each Contract represents 100 shares; prices are quoted in U.S. dollars per share.

This letter contains the product explanation, listing-standard confirmation, DCM Core Principle analysis and certifications required by Regulations 41.22, 41.23, 40.3 and 40.5. The following documents are attached and form part of this submission:

- **Attachment A - PLTRPERP Contract Terms and Conditions:** the specifications prescribed by Rule 515.10, completed for Palantir Class A common stock and the PLTR CF Hybrid Equity Index.
- **Attachment B - Securities Perpetual Pricing:** the procedures incorporated into Rule 515.6 and the Contract's Rules.
- **Attachment C - CF Hybrid Equity Indices Methodology Guide:** the official methodology incorporated into Rule 515.1 and the Contract's Rules.

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1. Submission information, adoption and effective date

The following supplies the information required by Appendix D to Part 40 and Regulations 40.3(a)(2) and 40.5(a)(2).

Item	Information
Filing date	September 18, 2026
Organization and registered entity	Bitnomial Exchange, LLC; designated contract market
Filing type and authority	New product; voluntary approval request under Regulation 41.23(b), using Regulation 40.3 procedures; compliance with applicable requirements of Regulations 40.3 and 40.5
Filing identifier	BTNL-2026-116
Product	Palantir Perpetual Futures; PLTRPERP; cash-settled perpetual futures on Palantir Technologies Inc. Class A common stock
Part 150 referenced-contract status	The Contract is not a referenced contract under Regulation 150.1 or a contract described in Appendix C to Part 150. SFP position limits are governed by Part 41.
Product rules	New Contract specifications in Attachment A, governed by Rules 502 and 515; incorporated pricing and index documents in Attachments B and C
Proposed effective date	Upon Commission approval of this product and the applicable SFP rules and procedures. The Exchange will announce the first trading date after applicable approvals and initial-listing requirements are satisfied.

The Executive Team is authorized to take the actions required to adopt the Contract and make this filing under Rules 201, 202.1 and 203.1. Rules 502 and 515 authorize listing the Contract subject to applicable regulatory approvals and listing conditions.

The Exchange is notice-registered with the Securities and Exchange Commission ("SEC") under Section 6(g) of the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange's SFP rule and procedure request, BTNL-2026-105, and Bitnomial Clearinghouse, LLC's (the "Clearinghouse") Chapter 8 rule request, BTNL-2026-106, are submitted separately under Regulation 41.24(b) for approval by Commission vote, concurrently with Form 19b-7, SR-BTNL-2026-001. The Exchange request includes the procedures establishing a 15.25% minimum initial and maintenance customer-margin floor for SFPs; the Clearinghouse request includes Rules 803 and 806. This product request uses the approval route under Regulation 41.23(b) and the procedures of Regulation 40.3.

The Contract applies Rule 515 without changing the generic rule text. The pertinent proposed rules and related amendments are set forth in the concurrent Regulation 41.24(b) requests. Rule 515 governs listing eligibility, corporate actions, termination, pricing, market hours, index methodology and halts. Rule 515.6 and Attachment B take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement remains subject to Rule 515.4. Rules 405, 501 and 504 govern position controls and market operation, and Chapter 8 governs clearing and margin. Attachments A through C state the product-specific terms and incorporated methodologies.

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2. Purpose, operation and classification of the Contract

Product purpose and market access

The Contract permits market participants to obtain or hedge exposure to Palantir Class A common stock without repeatedly rolling an expiring futures position. It has no scheduled expiration or delivery date. Participants may close positions by executing offsetting trades during Contract Market Hours. The Clearinghouse acts as central counterparty, collects margin and settles cash obligations; no shares are delivered and Contract holders acquire no ownership or voting rights in Palantir.

The Exchange supports access through multiple eligible intermediaries, whether affiliated or unaffiliated, under the same admission, conduct and customer-protection requirements. Competitive execution, central clearing and coordinated market surveillance apply to the Contract. The product does not confer exclusive access on an affiliate or alter intermediary admission standards.

Contract unit, trading hours and risk controls

The Trading Unit is 100 shares. The minimum tradable unit is 0.0001 Contract, equivalent to 0.01 share. The minimum price increment is $0.01 per share, worth $1.00 per full Contract and $0.0001 per minimum unit. Attachment A specifies a 2% Price Band Variation, a 10% Price Limit, a **200,000-Contract position limit** and a 25-Contract reportable position level.

Rule 515.7 establishes the **24/5** trading schedule: Sunday at 19:00 Central Prevailing Time ("CPT") through Friday at 17:00 CPT, subject to published National Stock Exchange holidays, maintenance windows and trading halts. Rules 501, 504 and 405 authorize pre-trade controls, including price banding, order-size limits and position-exposure limits. Rule 213 provides emergency authority.

Index inputs and daily settlement

The Underlying Price Index is the **PLTR CF Hybrid Equity Index**, administered and calculated by CF Benchmarks. Under Rule 515.8 and Attachment C, the index uses National Stock Exchange quotations during the covered pre-market, regular and after-hours sessions and Blue Ocean ATS quotations overnight. The methodology selects one source at a time according to its session and holiday schedule. During scheduled publication, the index is calculated each second from the midpoint of the best bid and offer in the same quotation record, subject to the methodology's contingency provisions.

Rule 515.6 and Attachment B govern the Settlement Price used for variation margin and funding. At each Funding Time, the Exchange uses the median of three values: the Index Price; the Index Price adjusted by the average basis between the Contract's bid-ask midpoint and the index; and the Contract's volume-weighted average trading price. The observation window is the preceding two and one-half minutes. Quotation-based substitutions, unavailable-input fallbacks and carry-forward treatment apply as specified in Attachment B. A separate closing valuation is made at each scheduled weekly or holiday market close.

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Funding calculation and cash flows

Funding Intervals end at **03:00, 11:00 and 19:00 CPT every calendar day**, including weekends and holidays. During open trading, the Exchange samples the Contract order book every 15 seconds and compares bid and ask impact prices with the Index Price. Later samples receive greater weight. The weighted average uses the original chronological sample indices and the sum of the weights of included samples. Closed, halted and maintenance periods contribute neither samples nor weights.

The interest component is zero. A weighted average premium or discount within 0.001% of zero produces a zero Funding Rate; outside that range, the rate equals the excess over the range and retains the premium's or discount's sign. The 0.001% range is a deadband, not a cap on the Funding Rate. An open-market sample lacking a required index or impact-price input contributes a zero Premium with its weight. If no sample in an entire interval has an available Index Price and both impact prices, the last calculated Funding Rate carries forward, including its sign; before the first rate, zero applies.

A positive Funding Rate requires long holders to pay short holders; a negative rate requires short holders to pay long holders. A zero rate produces no payment. Each payment uses the Trading Account's absolute net open position immediately before the Funding Time, the 100-share Trading Unit, the applicable Settlement Price and the absolute Funding Rate converted to a decimal. The Clearinghouse applies these Funding Adjustments through the next applicable variation-margin cycle, combining the adjustments that fall within that cycle. Funding transfers between long and short holders are separate from gains and losses caused by changes in the Settlement Price.

Friday's 17:00 CPT closing Settlement Price uses the 16:57:30-17:00 observation window. The Friday 19:00 Funding Rate uses the six hours of observations from 11:00 to 17:00, without six-eighths scaling. The closing price and applicable rate carry forward through closed-market Funding Times, including the standard Sunday 19:00 reopening Funding Time. Each interval still produces a separate Funding Adjustment. Monday at 03:00 is the first scheduled Funding Time using resumed trading, subject to the stated fallbacks. Funding-rate methodology amendments apply prospectively under Rule 515.6.9.

Corporate actions, termination and final settlement

Rule 515.3 prescribes adjustments intended to preserve the economic position of holders through corporate actions. Ordinary dividends and other cash distributions result in payments from shorts to longs through the next variation-margin cycle, without a duplicate settlement-price basis adjustment. Splits and reverse splits rescale open positions, retain the standard 100-share Trading Unit and divide the variation-margin settlement-price basis by the split ratio. The rule also addresses stock and property distributions, rights, spin-offs, special dividends, returns of capital, reorganizations and ticker changes.

Rules 502 and 515.4 govern termination and final cash settlement, including mandatory termination events involving delisting, loss of Section 12 registration, specified corporate transactions and other circumstances stated in Rule 515.4. Final settlement must comply with Regulation 41.25(c) and SEC Rule 6h-1(b). It fairly reflects the Underlying's opening price, with the prescribed most-recent-session or next-opening-price alternatives when an opening price is unavailable and the Clearinghouse's regulatory authority to determine an

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appropriate final price. The funding and daily-settlement calculation does not replace these final-settlement requirements.

Security-futures classification

The Contract is a contract of sale for future delivery of a single security within CEA Section 1a(44) and Exchange Act Section 3(a)(55)(A), and an SFP under CEA Section 1a(45). Its terms and quantity are standardized; performance is guaranteed through central clearing and margin; positions may be closed by offset; it is available to eligible members of the public through registered intermediaries; and it transfers price risk through trading on a DCM. These are the characteristics recognized in *CFTC v. Co Petro Marketing Group, Inc.*, 680 F.2d 573, 579-80 (9th Cir. 1982), *In re Stovall*, Comm. Fut. L. Rep. (CCH) paragraph 20,941 (CFTC Dec. 6, 1979), and *Salomon Forex, Inc. v. Tauber*, 8 F.3d 966, 971 (4th Cir. 1993).

The absence of a fixed expiration date does not, by itself, prevent classification as a futures contract. See *CFTC v. Standard Forex, Inc.*, 1996 WL 435440, at *10 (E.D.N.Y. 1996), and* CFTC v. International Foreign Currency, Inc.*, 334 F. Supp. 2d 305, 312 (E.D.N.Y. 2004). Periodic funding is part of the standardized Contract's cash-settlement obligations. Contracts for future delivery are excluded from the swap definition by CEA Section 1a(47)(B)(i). The Exchange requests approval of PLTRPERP as an SFP.

3. Compliance with listing standards

The Exchange confirms that Palantir Technologies Inc. Class A common stock (PLTR), registered under Section 12(b) of the Exchange Act and listed on the Nasdaq Global Select Market, satisfies the initial-listing standards in Rule 515.1. Continued listing of the Contract is subject to Rule 515.2. The Exchange will apply Rule 515.1.8's five-business-day minimum-price test immediately before commencement of listing and trading. Supporting eligibility evidence is retained in the Exchange's compliance records.

4. DCM Core Principle analysis

Core Principles 1 and 2 - Designation and compliance with rules

The Exchange applies its existing DCM self-regulatory framework to PLTRPERP, including admission requirements, surveillance, investigations and enforcement. Rules 303 and 305 govern participant eligibility and duties; Rule 803 governs clearing-member eligibility. Participants must comply with the Rules and cooperate with investigations and requests for records. Chapter 6 provides investigative and disciplinary procedures. The Contract is subject to Rule 515 in addition to the generally applicable Rules.

Core Principle 3 - Resistance to manipulation

Active underlying market. Trading observations for the 126 sessions from March 16 through September 14, 2026, demonstrate substantial activity in Palantir Class A common stock: estimated average daily transaction value of approximately $6.057 billion, more than 13 times the $450 million initial-listing threshold, and average daily share volume of approximately 42.09 million. The lowest estimated daily transaction value in the period was

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approximately $2.577 billion.[1] The Exchange also considers ownership, holder counts and available share supply in assessing concentration. These measurements address underlying-market activity and concentration; they do not predict liquidity in the new futures Contract.

Rule 515.1's transaction-value, capitalization, ownership, holder-count, supply and minimum-price tests work together to exclude thinly traded underlyings. A large capitalization alone does not establish liquidity. Sustained trading activity and broadly distributed shares make it harder to dominate available supply or create an artificial underlying price through a small amount of trading. The Contract's cash settlement, 200,000-Contract limit, defined pricing inputs and surveillance controls further address manipulation of the Contract and its use to affect the Underlying or related securities.

Continuing eligibility. Rule 515.2 requires continuing Section 12 registration, at least 6.3 million shares outside Section 16(a) reporting persons, at least 1,600 holders, estimated deliverable supply above 20 million shares, at least $50 billion in market capitalization, and average daily transaction value of at least $200 million over the preceding calendar quarter, subject to the rule's alternative for recently listed securities. The Underlying must not close below $3.00 for five consecutive Trading Days. A failure can result in restrictions on opening transactions or termination under Rules 515.2 and 515.4; Rule 515.5 requires customer notice when the Exchange gives notice of a maintenance failure.

Surveillance of PLTRPERP and related markets. The Exchange combines real-time market monitoring, automated trade surveillance and position review with coordinated surveillance of PLTR, listed PLTR options and related securities. The Exchange is an Intermarket Surveillance Group ("ISG") member and has operative information-sharing coverage for the relevant underlying, options and index-source markets. Rule 209 authorizes exchanges of surveillance reports and participant information, investigation assistance and requests for records needed by another market. Rule 313 supports inspection and production of records.

The surveillance program relates Contract orders, executions and positions to underlying and related-market activity, issuer news and corporate actions. Reviews address unusual price or volume movements, concentrated positions, wash trading, disruptive order patterns, insider-trading indicators and activity around funding and settlement observations. Staff examine whether trading that affects a reference input could benefit a Contract position. Staff investigate alerts and referrals, request records, document findings and disposition, and escalate potential violations under Chapter 6. The Chief Regulatory Officer directs the response under the oversight of the all-Public-Director Regulatory Oversight Committee in Rule 205.4.

Extended hours and reference-input integrity. Surveillance covers the scheduled 24/5 trading week. Substantial six-month activity does not establish equal depth in every session. The Exchange assesses available liquidity, concentration and reference-input quality outside Nasdaq's regular session, including the National Stock Exchange and Blue Ocean ATS inputs used by the index. The methodology defines source selection and contingencies;

[1] Nasdaq, PLTR Historical Data, 126 sessions from March 16 through September 14, 2026, as recorded in the supplied eligibility evidence. Estimated daily transaction value equals each day's closing price times reported share volume; the arithmetic mean is $6,056,936,906.72. Average daily share volume is approximately 42,089,411; the minimum estimated daily value is $2,577,079,519.70.

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Attachment B defines sampling, unavailable-input and closing-period treatment. Continued index publication does not permit Contract trading or sampling during a required halt.

Core Principles 4, 5 and 6 - Monitoring, position limits and emergencies

Real-time monitoring, automated surveillance, pre-trade controls and Rules 402 and 403 address manipulation, price distortion, abusive execution and disruptions of settlement. Rule 402 also prohibits directors and officers of the underlying issuer, and persons possessing material nonpublic information about the issuer or security, from trading the related SFP as specified in the rule. Rule 213 permits emergency action to maintain an orderly market.

The Contract's **200,000-Contract limit** represents 20,000,000 shares at the 100-share Trading Unit and applies each trading date under Rules 405.5 and 515.10.1. Against the Exchange's estimated deliverable supply of approximately 2.11 billion Class A shares, reviewed September 18, 2026, that exposure is approximately 0.9479% of estimated deliverable supply.[2] Regulation 41.25(b)(3)(i)(A) permits a limit no greater than 12.5% of estimated deliverable supply where supply exceeds 20 million shares, if appropriate in light of underlying-market liquidity. A 20-million-share exposure requires estimated deliverable supply of at least 160 million shares to satisfy that ceiling. The 200,000-Contract limit also reflects the requirement that SFP listing standards be no less restrictive than comparable options standards; no higher limit or substitution of accountability for that limit is requested.

The Exchange will calculate estimated deliverable supply and six-month total trading volume no less frequently than semi-annually and make required limit changes under Regulations 41.25(b)(3)(vi) and 41.24. Aggregation, exemptions and corporate-action treatment remain subject to Rule 405, Rule 515.3 and applicable regulations. The perpetual structure does not provide an interval during which the stated position limit ceases to apply.

Core Principles 7, 8 and 9 - Public information and execution

The Exchange publishes its Rules, Contract specifications and execution mechanisms. It will publish daily settlement prices, volume, open interest, and opening and closing ranges for PLTRPERP as required by Regulations 38.450 and 38.451, and report market data under Part 16 as required by Regulation 41.25(b)(1). Funding and settlement follow the disclosed procedures in Attachment B.

Rule 504.7 provides predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis. Customer and proprietary orders are subject to the same matching framework. Permitted pre-execution communications and eligible block trades remain subject to Rules 403 and 505; those provisions do not permit misuse of nonpublic customer-order information.

[2] Stock Analysis, PLTR share statistics, public float of approximately 2.11 billion Class A shares observed September 18, 2026, as recorded in the supplied eligibility evidence. The Exchange's adopted estimation method uses eligible-class public float, reduced for identified availability restrictions not already reflected in the source, and selects the lower estimate where credible, comparable sources differ. The selected estimate retains the source's rounded precision; the observation date is not an independently verified same-day float measurement date.

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Core Principles 10 and 18 - Audit trail and recordkeeping

The Exchange maintains order-lifecycle records, retention and reconstruction controls to facilitate coordinated surveillance under Regulation 41.22(h) and Regulations 38.550 through 38.553. Exchange order, trade and position records complement participant and clearing-member front-end records. Rule 503 requires unique registered User IDs, Rule 511 requires the appropriate customer-type indicator, and Rule 510 requires order-entry, modification, cancellation and execution records, timestamps that cannot be modified by the order entrant, retention for at least five years and production in a standard format on request.

The SFP audit trail links submissions, modifications, cancellations, rejections and executions to order identifiers, users, trading accounts, clearing firms and customer-type information, together with cleared trades, allocations and positions as applicable. Staff use these records to reconstruct activity and correlate it with relevant PLTR and related-market activity and the index observations and calculation records used for funding and settlement.

Exchange record retention and production comply with Regulation 1.31. Compliance review compares participant and Exchange records, checks user and account identification and investigates discrepancies. Rule 313 supports inspection and information requests; Chapter 6 provides for remediation and enforcement. These controls support investigations across markets without relying solely on participant front-end records.

Core Principle 11 - Financial integrity

All Contract transactions are cleared through the Clearinghouse, a CFTC-registered derivatives clearing organization. Initial and maintenance margin, mark-to-market, funding payments and corporate-action cash adjustments are administered under the clearing Rules and incorporated procedures. The Exchange's procedures establish a **15.25% minimum initial and maintenance customer-margin floor for SFPs**, subject to any higher applicable requirement and the joint SEC/CFTC rules' account and position treatment. The numerical floor is implemented in procedures; the Chapter 8 amendments require compliance with the joint margin rules. No new customer offset schedule is proposed. Clearing-level margin remains subject to the Clearinghouse's risk-based methodology, and customer funds remain subject to Rule 806 and applicable law.

Core Principles 12, 13 and 14 - Customer protection, discipline and disputes

Rules 402 and 403 prohibit abusive, disruptive, fraudulent and noncompetitive conduct. Registration, suitability and supervision requirements apply to SFP intermediaries as described in Section 5(d). The Exchange may investigate and discipline violations under Chapter 6, including sanctions, suspension or expulsion as authorized by the Rules. Existing dispute-resolution and arbitration provisions apply to Contract disputes.

Core Principles 15, 16 and 17 - Governance, conflicts and board composition

The Contract operates within the existing Chapter 2 governance framework, fitness requirements, conflict-management provisions and applicable board and committee composition requirements. Rule 205.4 places oversight of the regulatory program with a committee composed entirely of Public Directors. The Exchange's affiliate conflicts-of-interest policy applies to the product; the policy is referenced here and is not an attachment. Listing

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PLTRPERP does not alter the allocation of regulatory authority or give an affiliated intermediary preferential access or enforcement treatment.

Core Principle 19 - Competition

The Exchange has considered the antitrust implications under CEA Section 15(b). PLTRPERP supports an additional means of obtaining or hedging Palantir equity exposure through multiple eligible intermediaries, whether affiliated or unaffiliated. The Contract does not require exclusive dealing, discriminate between similarly situated intermediaries or impose a material anticompetitive burden. Uniform admission, trading and enforcement requirements support competition among intermediaries offering the product.

Core Principles 20, 21, 22 and 23 - Safeguards and continuing obligations

The Contract is subject to the Exchange's system safeguards, operational-risk controls and business-continuity arrangements. The Exchange's financial-resource obligations under Section 5(d)(21) and Part 38 continue to apply to the trading, surveillance and regulatory functions supporting PLTRPERP. Listing the Contract does not change the Exchange's corporate form or the applicability of the diversity-of-boards requirement in Core Principle 22. Under Core Principle 23, the Exchange remains subject to applicable SEC requirements for an exchange notice-registered under Section 6(g), including SFP listing standards, customer protections and rule-filing obligations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

5. Regulation 41.22 certifications

For purposes of Regulations 41.23(b) and 40.3(a)(6), the Exchange provides the following certifications concerning PLTRPERP and the Exchange as the listing market, as applicable. Section 3 confirms compliance with the listing standards; Section 4 provides the product-specific liquidity and position-limit analysis and describes the surveillance, audit-trail and other supporting controls.

(a) Underlying security. The Underlying satisfies Regulation 41.21: it is Palantir Class A common stock registered under Section 12 of the Exchange Act, is an eligible equity security and is subject to the Exchange's SFP listing standards filed with the SEC. Rule 515 supplies the initial and continuing listing conditions.

(b) Physical settlement. The Contract is cash settled. The payment-and-delivery arrangements with a Section 17A-registered clearing agency required for physically settled SFPs do not apply.

(c) Common clearing. Regulation 41.22(c) is reserved; no certification is required under that paragraph.

(d) Suitability. Only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered under Section 15A(a) of the Exchange Act and its rules may solicit, accept orders for or otherwise deal in transactions in or in connection with the Contract, except to the extent otherwise permitted

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under the Exchange Act and its rules. The Exchange's intermediary review verifies applicable registration, FINRA or NFA membership and substantive SFP suitability obligations. FINRA Rule 2370(b)(16)-(19) addresses SFP accounts, supervision, records and suitability; NFA Compliance Rule 2-30(j) supplies the applicable requirements for NFA Members that are not also FINRA members and their Associates. Rules 303, 401.1 and 402.15, and Clearinghouse Rule 803, support continuing compliance and supervision.

(e) Dual trading. Dual trading in the Contract is restricted in accordance with Regulation 41.27. The Exchange has no open-outcry trading floor. Its SFP electronic market grants no participant a time or place advantage or an ability to override the predetermined matching algorithm that would trigger Regulation 41.27(b)(2). Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Changes in matching features or participant privileges will be assessed under Regulation 41.27 before implementation.

(f) Resistance to manipulation. Trading in the Contract is not readily susceptible to manipulation of its price, or to causing or being used in manipulation of the price of PLTR, an option on PLTR, or an option on a group or index including PLTR, consistent with Regulation 41.25. The underlying-market evidence, initial and maintenance listing standards, 200,000-Contract limit, pricing controls and coordinated surveillance described in Section 4 support this certification.

(g) Coordinated surveillance. Procedures are in place for coordinated surveillance among the Exchange, markets on which PLTR trades and markets on which related securities trade, to detect manipulation and insider trading. The Exchange's ISG membership, operative information-sharing coverage for relevant underlying, options and index-source markets, and Rule 209 support the procedures described under Core Principle 3. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(g).

(h) Audit trail. An audit trail is in place to facilitate coordinated surveillance among the Exchange, markets on which PLTR trades and markets on which related securities trade. The Exchange records, reconstruction controls, retention and production arrangements, and participant and clearing-member recordkeeping requirements described under Core Principles 10 and 18 support this certification. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(h).

(i) Trading halts. Procedures are in place to coordinate regulatory trading halts among the Exchange, markets on which PLTR trades and markets on which related securities trade. Rules 501.3 and 515.9 require a halt whenever a regulatory halt is in effect for PLTR and whenever Nasdaq, as the primary listing market, halts or pauses PLTR, including news-pending events, single-security pauses, market-wide circuit breakers and corporate-action halts. Trading may resume only after PLTR trading resumes on Nasdaq, within Contract Market Hours and subject to any continuing halt. These procedures apply throughout the scheduled 24/5 week. Continued index publication does not override a required halt. The Exchange does not rely on the alternative-trading-system exception in Regulation 41.22(i).

(j) Margin. The Contract's margin requirements will comply with Regulations 41.43 through 41.48. Rule 806.21 requires compliance with the joint SEC/CFTC customer-margin rules. The Exchange's procedures apply the 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to higher applicable requirements and the joint

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rules' account and position treatment. Clearing-level risk margin is administered separately under the Clearinghouse's Rules.

6. Additional certifications and submission requirements

Regulation 41.25. The Exchange certifies that the Contract's terms and conditions comply with the additional conditions for trading in Regulation 41.25, including Part 16 daily market-data reporting, regulatory trading halts, applicable position-limit requirements and final cash-settlement requirements. The continuous 200,000-Contract limit and required supply and volume reviews are described in Section 4; Rule 515.9 governs halts, and Rule 515.4 and Attachment B govern final settlement. Physical-delivery requirements do not apply.

CEA and Regulations 40.3 and 40.5. The Exchange certifies that the Contract and its Rules comply with the Act and Commission regulations, including the applicable standards and requirements of Regulations 40.3 and 40.5. This request uses the product-approval procedures of Regulation 40.3. Sections 2 through 5 provide the explanation and analysis required by Regulations 40.3(a)(4) and 40.5(a)(5), including supporting information and citations to the underlying data sources. Attachment A sets forth the Contract terms, with the incorporated pricing and index methodologies in Attachments B and C, as required by Regulations 40.3(a)(3) and 40.5(a)(3).

Supporting agreements and arrangements. For purposes of Regulation 40.3(a)(5), all Contract transactions are cleared through the Clearinghouse under the clearing arrangements described in Sections 2 and 4. CF Benchmarks administers and calculates the Underlying Price Index under the methodology in Attachment C. The Exchange's ISG membership and operative information-sharing arrangements with the relevant underlying, options and index-source markets support coordinated surveillance, investigations and access to records, as described under Core Principle 3 and in Section 5(g).

Opposing views and requested regulatory action. No substantive opposing views were expressed to the Exchange by governing board or committee members, members of the Exchange or market participants that were not incorporated into the Contract, as addressed by Regulation 40.5(a)(8). The Exchange requests approval under the existing SFP framework; no amendment of a Commission regulation is requested. The security-futures classification analysis is set out in Section 2 for review under Regulation 40.5(a)(9).

Website posting. The Exchange certifies that notice of this request for Commission approval and a copy of this submission have been posted concurrently with this filing at https://bitnomial.com/exchange/regulatory, in accordance with Regulations 40.3(a)(9) and 40.5(a)(6).

Additional information and filing fee. The Exchange will provide any additional evidence, information or data requested under Regulation 40.3(a)(10) within the specified or agreed period and will include any required filing fee under Regulation 40.3(a)(8) and Appendix A to Part 40 with this submission.

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Initial listing. This labeled submission includes the terms, incorporated procedures, Appendix D information and certifications required by Regulations 41.22 and 41.23(a)(4)-(5). Trading will begin only after applicable approvals and satisfaction of Regulation 41.23(a)'s initial-listing requirements.

Please contact James Walsh, Chief Regulatory Officer, at james.walsh@bitnomial.com or (312) 883-5851 with any questions.

Very truly yours,

James Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC

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Bitnomial Exchange, LLC

PLTRPERP - Contract Terms and Conditions

Attachment A | Palantir Perpetual Futures

1. Summary Specifications

Term	Value
Product Name	Palantir Perpetual Futures
Product Code	PLTRPERP
Underlying	Class A common stock of Palantir Technologies Inc. (CUSIP 69608A108; ticker symbol PLTR)
Trading Unit	One hundred (100) shares of the Underlying
Minimum Unit	The minimum unit of trading is one ten-thousandth of a Contract
Price Quotation	Prices for the Contract are quoted in U.S. dollars per share
Tick Size	$0.01 per share
Tick Value	$1.00 per Contract
Tick Value (Minimum Unit)	$0.0001 per Minimum Unit
Price Band Variation	2%
Price Limit	10%
Position Limits	200,000 Contracts
Reportable Position Level	25 Contracts
Market Hours	Rule 515 and Rule 501
Contract Listing & Termination	Rule 502 and Rule 515
Settlement Method	Cash Settled; Rule 509 and Rule 515
Settlement Price	For Variation Margin and Funding Adjustments: Rule 515 and Daily Settlement Price Calculation; Index Price is the PLTR CF Hybrid Equity Index
Funding Rate Methodology	Securities Perpetual Pricing

2. Underlying Price Index

The Underlying Price Index is the PLTR CF Hybrid Equity Index. The CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks is incorporated herein as part of the Contract Rules in accordance with Rule 515.

3. Funding Adjustments

Funding adjustments shall be in accordance with Rule 515. Securities Perpetual Pricing is incorporated herein as part of the Contract's Rules.

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4. Dividends, Distributions, and Corporate Actions

1. **Corporate Action Adjustments**. Corporate Action Adjustments, including ordinary cash dividends, shall be in accordance with Rule 515.
2. **Contract Termination and Final Settlement**. Contract duration, termination and final settlement shall be in accordance with Rule 502 and Rule 515.

5. Market Closures and Halts

Trading halts and resumptions shall be in accordance with Rule 515 and Rule 501. Emergency actions shall be subject to Rule 213.

6. Margin, Risk Controls, and Access

1. **Initial and Maintenance Margin**. Customer and clearing-level margin requirements shall be in accordance with Rule 806 and Rule 820.
2. **Pre-Trade Risk Controls**. In accordance with Rule 501, Rule 504 and Rule 405, the Exchange may impose pre-trade risk controls, including price banding, order size limits, and position exposure limits, to ensure orderly trading and mitigate market disruption risk.

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Bitnomial Exchange, LLC

Securities Perpetual Pricing

September 15, 2026

This document describes proposed funding and cash-settlement calculations for Perpetual Futures on securities. Pursuant to Rule 515 of the Bitnomial Rulebook, Contract Specifications shall incorporate these procedures as part of the Contract's Rules. These procedures govern funding and daily settlement and take precedence over inconsistent general daily settlement provisions in Rule 509. Final settlement remains subject to Rule 515. Capitalized terms used herein have the meanings assigned in the Bitnomial Exchange Rulebook.

Positive Funding Rates require longs to pay shorts; negative rates require shorts to pay longs. Funding adjustments enter the next Variation Margin cycle.

The Index Price is the mark of the underlying index identified in the Contract Specifications. Each Contract Specification defines the exact underlying index for that Contract. Contract prices enter the Premium Index calculation to measure the funding premium relative to that mark and the median calculation used to determine the Daily Settlement Price. The underlying index is determined independently of Contract prices.

Only valid underlying index values calculated by CF Benchmarks from National Stock Exchange or Blue Ocean ATS market data under the incorporated index methodology may be used as new Index Price observations.

An Index Price observation must be finite, positive and valid for its calculation time under the incorporated index methodology. A value retained and published by CF Benchmarks under that methodology's contingency rules remains eligible if it is derived from an eligible source.

Funding Rate Calculation

Funding and settlement occur at 03:00, 11:00 and 19:00 Central Prevailing Time (CPT), each a "Funding Time". The Funding Rate and Settlement Price applicable at each Funding Time are determined under these procedures, including the carry-forward provisions below. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Valuation and unavailable-data treatment are governed by the provisions below. Continued index publication does not override a trading halt under Rule 515 or Rule 501.

Funding Rate Intervals

- **Interval 1:** 19:00 CPT on the preceding day - 03:00 CPT
- **Interval 2:** 03:00 CPT - 11:00 CPT
- **Interval 3:** 11:00 CPT - 19:00 CPT

Funding Intervals run continuously on every calendar day, including weekends and holidays when Contract trading is closed. Market Hours and holiday closures are governed by Rule 515. Trading remains subject to Exchange maintenance windows and trading halts under Rule 515 and Rule 501.

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At each Funding Time, a new Funding Rate is calculated from the Premium samples recorded during open trading in the preceding Funding Interval, including zero-valued samples assigned under the provisions below, subject to the following carry-forward rules. Closures, maintenance windows, trading halts and data interruptions do not shorten the eight-hour Funding Interval. If no sample in the interval has an available Index Price and determinable Contract Impact Prices on both sides, the most recently calculated Funding Rate, including its sign, is carried forward and applied at that Funding Time. This applies even if zero-valued samples were recorded because inputs were unavailable. If this occurs before any Funding Rate has been calculated, the Interest Rate of 0% applies. Funding payments are calculated separately for each interval under the Dollar Funding Payment provisions below.

Premiums are sampled once in each 15-second period during which Contract trading is open, whether or not a trade occurs. Unavailable inputs result in a zero Premium sample as specified below. Premiums are not sampled while Contract trading is closed or halted or during a maintenance window.

Each Funding Interval includes its opening boundary and excludes its ending boundary. When its inputs are available, each Premium sample uses the eligible Index Price and Contract order-book observations applicable immediately before the end of its 15-second sample period. Observations at a boundary belong to the following sample period.

For the Friday 17:00 CPT market close under Rule 515, the Funding Interval remains 11:00 to 19:00 CPT, but the observation window is the six hours from 11:00 CPT up to, but excluding, 17:00 CPT. At 19:00 CPT, the Exchange calculates the Funding Rate using the samples from that window, subject to the carry-forward provisions above. The closed portion from 17:00 to 19:00 CPT contributes neither samples nor weights and is not filled with zero Premium samples. The observation window is not extended into an earlier Funding Interval to obtain eight hours of samples. The Funding Rate Formula applies to the weighted average for the six-hour window without a six-eighths adjustment.

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Funding Rate Formula

When a new Funding Rate is calculated, the following formula applies:

$$\text{FR} = \text{avg}(P) + \text{clamp}(\text{IR} - \text{avg}(P), -0.001\%, 0.001\%)$$

Where:

- **FR** = Funding Rate (applied to positions)
- **IR** = Interest Rate = 0% per interval (fixed rate)
- **avg(P)** = Index Weighted Average Premium Index over the funding interval
- **clamp(x, min, max)** = Constrains x to be between min and max values

Index Weighted Average Premium Index Calculation

$$\text{avg}(P) = \frac{1}{N} \times \sum_{i \in J} i \times P_i$$

Where:

- **n** = 1,920 (number of scheduled 15-second sample periods per eight-hour Funding Interval)
- **J** = set of sample periods in the Funding Interval for which a Premium sample was recorded, including zero-valued samples assigned because inputs were unavailable
- **N** = $\sum_{i \in J} i$, the sum of the weights of the included sample periods
- $\mathbf{P_i}$ = Premium Index at sample period i, in chronological order

Sample periods retain their original chronological indices within the Funding Interval. Zero-valued samples contribute zero to the weighted sum and their full sample-period weight to its denominator. Periods when sampling is suspended because Contract trading is closed, halted or under maintenance contribute neither a sample nor a weight. When all 1,920 periods contain a sample, $\mathbf{N = n(n + 1)/2 = 1{,}844{,}160}$. If **J** is empty, $\mathbf{N = 0}$ and no average is calculated; the Funding Rate is determined under the carry-forward provisions above.

With uninterrupted Contract trading during Friday's 11:00 to 17:00 CPT observation window, there are 1,440 sample periods, retaining indices 1 through 1,440, and $\mathbf{N = 1{,}440 \times 1{,}441 \,/\, 2 = 1{,}037{,}520}$. The 480 scheduled sample periods from 17:00 to 19:00 CPT are excluded. If a halt or maintenance window interrupts the six-hour observation window, **J** and **N** include only the periods when sampling occurs.

Premium Index Formula

$$P = \frac{\max(0, \text{CI}_{\text{bid}} - S) - \max(0, S - \text{CI}_{\text{ask}})}{S}$$

Where:

- **S** = positive underlying Index Price at the sample time
- $\mathbf{CI_{bid}}$ = Contract Impact Price for bid side

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- $\mathbf{CI_{ask}}$ = Contract Impact Price for ask side

Contract Impact Price Calculation

$$\mathrm{CI}_{\mathrm{side}} = \frac{\sum_{i=1}^{b}(q_i \times p_i)}{\sum_{i=1}^{b} q_i}$$

Where:

- **side** = either "bid" or "ask"
- **b** = book levels included under the applicable Contract rules
- $\mathbf{q_i}$ = Number of Contracts included at price level i
- $\mathbf{p_i}$ = Price at level i

Each side is measured independently from its best price outward, using available quantity up to a maximum USD 50,000 notional depth, calculated as the sum of included Contract quantity times Contract multiplier times price. The final included price level may be partial. Available nonzero depth below the cap is used.

If either side of the Contract order book has no available depth or the Index Price is unavailable, the sample results in no premium or discount: $\mathbf{P = 0}$. The zero-valued sample is included in the weighted average with its full sample-period weight. Otherwise, the Premium Index Formula above applies.

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Dollar Funding Payment

$$F = |\text{FR}| \times Q \times M \times \text{SP}$$

Where:

- **F** = Dollar payment, with direction determined by the Funding Rate sign
- **FR** = Funding Rate, converted from a percentage to a decimal
- **Q** = absolute number of Contracts in the net open position for the Trading Account immediately before the Funding Time
- **M** = Contract multiplier
- **SP** = Settlement Price in U.S. dollars per share as of the applicable Funding Time, determined under the Daily Settlement Price Calculation provisions below, including the carry-forward provisions for scheduled closures

The dollar funding payment is calculated separately at each Funding Time using the Settlement Price as of that Funding Time. A positive Funding Rate requires holders of long positions to pay holders of short positions; a negative Funding Rate requires holders of short positions to pay holders of long positions. A zero Funding Rate produces no payment. Funding payments are accumulated for application through the next applicable Variation Margin cycle. Where multiple Funding Intervals end within one Variation Margin cycle, each payment is calculated using its own Funding Rate and Settlement Price, and those payments are summed for application in that cycle. Each payment is effected by the Clearinghouse through Variation Margin and is not settled bilaterally between Members. Revisions to the underlying Index Price made after a Funding Time do not alter the applicable Funding Adjustment. The Contract multiplier is specified in the Underlying Contract Specifications.

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Daily Settlement Price Calculation

A Settlement Price is determined at each Funding Time. The Exchange also determines a closing Settlement Price at each scheduled weekly or holiday market close under Rule 515, using the median methodology and fallback methods below. This closing valuation does not create an additional Funding Time.

For the Friday 17:00 CPT market close, the Settlement Period runs from 16:57:30 CPT up to, but excluding, 17:00 CPT. Its length remains two and one-half minutes, comprising ten 15-second sample periods. The Exchange determines the closing Settlement Price at 17:00 CPT using that window and the Index Price applicable immediately before the close, subject to the fallback methods below. Friday's 19:00 CPT funding payment uses this closing Settlement Price and the Funding Rate calculated from the 11:00 to 17:00 CPT observation window. Both values carry forward at subsequent Funding Times during the scheduled closure. For a standard weekend with trading resuming Sunday at 19:00 CPT, they also apply at that Funding Time; the first scheduled Funding Time using resumed trading is Monday at 03:00 CPT, subject to the calculation and fallback provisions herein.

If Contract trading was closed throughout the Settlement Period preceding a Funding Time because of a scheduled weekly or holiday closure, the closing Settlement Price is carried forward for that Funding Time. Otherwise, the Settlement Price is calculated using the median methodology and fallback methods below, using eligible Index Price observations and available Contract market data.

$$\mathrm{SP} = \mathrm{median}(S, S + \mathrm{ma}(S), \mathrm{ma}(C))$$

Where:

- **SP** = Settlement Price used for Variation Margin and Funding Adjustments, subject to the applicable tick-rounding rule
- **S** = underlying Index Price at the applicable valuation time, either a Funding Time or a scheduled market close
- **ma(S)** = simple moving average of the Contract's bid-ask midpoint minus the underlying Index Price over the Settlement Period
- **ma(C)** = volume-weighted average price of trades in the Contract during the Settlement Period, with the no-trade treatment below

The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The period includes its opening boundary and excludes its ending boundary. The Index Price at valuation is the eligible CF Benchmarks value applicable immediately before the valuation time; each basis sample uses the eligible observations applicable immediately before the end of its sample period. Observations first available at or after the valuation time are excluded. The basis average is:

$$\mathrm{ma}(S) = \frac{1}{v} \times \sum_{i=1}^{v} \left(\frac{p_{\mathrm{bid},i} + p_{\mathrm{ask},i}}{2} - S_i \right)$$

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Here, $\mathbf{v}$ is the number of sample periods with a prevailing best bid, a prevailing best ask, and an eligible Index Price while Contract trading is open; $\mathbf{p_{bid,i}}$, $\mathbf{p_{ask,i}}$ and $\mathbf{S_i}$ are the bid, ask and underlying Index Price at each such sample time. A missing input causes the entire basis sample to be omitted. If $\mathbf{v = 0}$, $\mathbf{ma(S)}$ is unavailable.

Only Contract trades during open trading within the Settlement Period enter the volume-weighted calculation of $\mathbf{ma(C)}$. Where no such trade occurs, $\mathbf{ma(C)}$ is the time-weighted average of the midpoint between the prevailing best bid and best ask, calculated only over portions of the Settlement Period when Contract trading is open and both sides are available. The denominator is the duration of those eligible portions. Quotes retained while trading is closed, halted or under maintenance are excluded. If neither trades nor eligible two-sided quotations are available, $\mathbf{ma(C)}$ is unavailable.

The Settlement Price is the median, or middle value, of $\mathbf{S}$, $\mathbf{S + ma(S)}$ and $\mathbf{ma(C)}$ when all three can be determined. The absence of trades does not by itself make $\mathbf{ma(C)}$ unavailable when the time-weighted midpoint can be determined. Where one or more inputs cannot be determined, the following waterfall applies in order:

1. If $\mathbf{ma(C)}$ cannot be determined but $\mathbf{S}$ and $\mathbf{ma(S)}$ can be determined, $\mathbf{SP = S + ma(S)}$.
2. If $\mathbf{S}$ or $\mathbf{ma(S)}$ cannot be determined but $\mathbf{ma(C)}$ can be determined, $\mathbf{SP = ma(C)}$.
3. If neither $\mathbf{ma(S)}$ nor $\mathbf{ma(C)}$ can be determined but $\mathbf{S}$ can be determined, $\mathbf{SP = S}$.

If the Settlement Price cannot be determined under these methods, the most recently determined Settlement Price is carried forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial Settlement Price pursuant to the Exchange Rules before the first settlement. The Exchange retains its authority under Rule 509 and the Clearinghouse retains its authority under Rule 813 to address an unavailable, erroneous or unreliable Settlement Price, subject to Rule 515.

Daily cash settlement uses the Settlement Price determined under this section, including a carried-forward Settlement Price during scheduled closures. Funding adjustments are calculated separately using the Funding Rate and the Settlement Price at the applicable Funding Time. Final Settlement on termination is determined separately as described below.

Trading Halts

Trading halts and resumptions are governed by Rule 515 and Rule 501. Publication of an Index Price does not permit trading to continue during a trading halt. Premium sampling stops while Contract trading is halted or under maintenance; retained Contract quotations are excluded from the settlement calculations for those periods. Observations collected during open portions of the interval remain eligible under the calculation methods above.

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Final Settlement on Termination

Upon a Contract Termination Event, the Exchange announces the date and time of termination as far in advance as practicable. All trading ceases at that time, and all open positions are finally settled in cash at the Final Settlement Price determined under Rule 515.4, consistent with SEC Rule 6h-1(b) and CFTC Regulation 41.25(c). The Exchange determines the Final Settlement Price using the underlying security's opening price, or a price that fairly reflects that opening price, for the regular trading session of its listing market. If the security is no longer listed, the primary-market reference in SEC Rule 6h-1(a)(1) applies. The reference session is identified in the Contract Specifications or termination notice. The underlying index daily mark is not the source of the Final Settlement Price.

If the opening price is not readily available, the final price must fairly reflect the price during the most recent regular trading session or the next available opening price, as provided in SEC Rule 6h-1(b)(2) and CFTC Regulation 41.25(c)(2). The Exchange identifies the permitted basis in its settlement or termination notice; settlement using the next opening occurs after that price is available. The Clearinghouse may determine a Final Settlement Price under its rules subject to SEC Rule 6h-1(b)(3) and CFTC Regulation 41.25(c)(3). These requirements govern final settlement, including any exercise of general pricing discretion.

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CF Hybrid Equity Indices

Methodology Guide

Version:

1.0

Version Date:

17 September 2026

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1 Version History

Version	Version Date	Changes to Previous
1.0	17 Sep 2026	

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2 Overview

The CF Hybrid Equity Indices (the "Indices") are designed to measure the US dollar price of an individual stock that is listed on a National Stock Exchange (NSE). The indices are designed to publish continuously when NSEs and Alternative Trading Systems (ATS) are operating and as such draw input data from a variety of sources - depending on the time of day. The indices will only be calculated and published during times when NSEs and ATSs are open for business.

During time periods where NSE's are matching orders under their operational hours (commonly referred to as "Core Hours", "Pre-Market" and "After Hours") then BBO data from in-scope National Stock Exchanges provides the input data for the indices.

During time periods when NSE's are not matching orders then BBO data from in-scope equity market Alternative Trading Systems (ATS) provides the input data.

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3 Definitions

Administrator: CF Benchmarks Ltd.

Calculation Agent: CF Benchmarks Ltd.

Calculation Time: Each second at which an Index is calculated.

API: Application programming interface.

Relevant Order Book: The most recent complete best bid and offer received for the underlying equity at or before the Calculation Time.

Retrieval Time: The time, as given by the server clock of the Calculation Agent, which the Relevant Order Book corresponds to. When obtained from a request/response API such as a REST API, this would be the time of the request made by the Calculation Agent through the API. When obtained from a real time feed such as a Websocket API, this would be the most recent time as of which the Calculation Agent has a valid Order Book from an unbroken connection.

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4 Inputs and Sessions

For each individual stock that has a CF Hybrid Equity Index in calculation there will be two input data sources. At any given time only one source will be used to calculate the CF Hybrid Equity Index. The selection of which data source is determined by the table in Section 4.3.

4.1 National Stock Exchange Best Bid-Offer

The National Stock Exchanges from which the Indices will draw BBO input data are NYSE BQT, MEMX and IEX. NYSE BQT covers NYSE, NYSE American, NYSE Arca, NYSE National and NYSE Texas.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.2 Blue Ocean ATS Mid Point

The Blue Ocean ATS provides overnight coverage.

The bid and offer must come from the same BBO record. The calculation does not combine separate records to create a new quote.

4.3 Input Data Source Selection

The index selects its input data source in accordance with the below table

Day	Time in New York	Input Data Source
Mondays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Tuesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Wednesdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00 to 23:59:59	Blue Ocean ATS Mid-Point
Thursdays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO

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	20:00:00 to 23:59:59	Blue Ocean ATS Mid-Point
Fridays Where National Stock Exchanges are Open For Business	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 20:00:00	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Saturdays	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Sundays where National Stock Exchanges are Open for Business the following day	00:00:00 to 19:59:59	No input Data Source Available - Index does not publish
	20:00:00 to 23:59:59	Blue Ocean ATS - Mid Point
Sundays where National Stock Exchanges are not Open for Business the following day	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Open for Business, but not Open for Business the following day	00:00:00 to 03:59:59	Blue Ocean ATS Mid-Point
	04:00:00 to 19:59:59	NSE BBO
	20:00:00 to 23:59:59	No input Data Source Available - Index does not publish
Weekdays where National Stock Exchanges are Closed for Business	00:00:00 to 23:59:59	No input Data Source Available - Index does not publish

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5 Calculation

5.1 NSE BBO Midpoint

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

A BBO is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the NSE BBO is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

5.2 Blue Ocean ATS Mid-Point

For bid price b and offer price a, the midpoint M and full spread percentage S are:

$M = (b + a) / 2$

$S = 100 \times (a - b) / M$

The Blue Ocean ATS Mid-Point is valid when both prices are finite and positive and $b \leq a$. A locked quote is valid. Bid and offer sizes are not used.

During the period when the Blue Ocean ATS Mid-Point is utilised, the Index equals the valid BBO midpoint, subject to Section 6.1. An unchanged valid BBO does not expire solely because its timestamps are old.

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6 Contingency Rules

6.1 Invalid NSE and Blue Ocean ATS Order Books

A crossed National Stock Exchange Best Bid-Offer order book or Blue Ocean ATS order book, or a missing, nonfinite or nonpositive order renders the order book invalid. The first invalid update starts one 30-second period. The last valid midpoint is retained while less than 30 seconds have elapsed.

Further invalid updates do not restart the period, including a change in the reason for invalidity. A valid update ends the invalid period and restores normal calculation. Updates between Calculation Times are included in this assessment.

At 30 seconds, the BBO-based value is unavailable unless a valid update has arrived. If no prior valid midpoint exists, no value is available.

6.2 Expert Judgement

The Administrator does not utilise Expert Judgement in the day-to-day calculation of the CF Hybrid Equity Indices. In extraordinary circumstances Expert Judgement may be exercised by the Administrator in accordance with its codified policies and processes which are available upon request.

6.3 Calculation Failure

If a CF Hybrid Equity Index cannot be calculated for a given Calculation Time, for instance because:

- the Retrieval Time of the Relevant Order Book is at least 30 seconds older than the Calculation Time, or
- The Relevant Order Book is flagged as erroneous
- any other reason or circumstance that prevents the orderly calculation of a CF Hybrid Equity Index,

then the CF Hybrid Equity Index for that Calculation Time is not published. The occurrence of any CF Hybrid Equity Index Calculation Failure is reported to CF management and persistent Calculation Failures will lead to a review of the methodology.

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7 CF Hybrid Equity Index Parameters

7.1 Index Parameters

Tickers	Company Name
TSLA	Tesla, Inc.
SPCX	Space Exploration Technologies Corp.
NVDA	NVIDIA Corporation
AVGO	Broadcom Inc.
MU	Micron Technology, Inc.
AAPL	Apple Inc.
MSFT	Microsoft Corporation
AMZN	Amazon.com, Inc.
GOOGL	Alphabet Inc. (Class A)
PLTR	Palantir Technologies Inc. (Class A)

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8 Methodology Review and Changes

This methodology is subject to internal review by the Administrator and the Oversight Function at least annually.

Any changes to this methodology are overseen by the Oversight Function, and in accordance with UK BMR Article 13.

All material changes to the methodology shall only be implemented after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

Should the Administrator deem it necessary to cease providing any of the Indices it shall only do so after a consultation process with users and relevant stakeholders that shall be conducted according to the Administrator's policies and overseen by the Oversight Function.

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Contact Information

CF Benchmarks Ltd

Address	Contact
6th Floor, One London Wall London EC2Y 5EB United Kingdom	Email: info@cfbenchmarks.com Website: www.cfbenchmarks.com

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