
CANTOR FUTURES EXCHANGE, L.P.

**DOMESTIC BOX OFFICE RECEIPTS:
CONTRACT TERMS AND CONDITIONS**

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PREAMBLE

These terms and conditions pertaining to DBOR Contracts (the “DBOR Contract Terms”) will govern the trading on the Cantor Futures Exchange, L.P. (the “Exchange”) and the clearing by the Cantor Clearinghouse, L.P. (the “Clearinghouse”) of the DBOR Contracts described herein. Reference is made herein to the Rules of the Exchange and the Rules of the Clearinghouse. These DBOR Contract Terms are established pursuant to and constitute “Contract Rules” under Rule I-5 of the Rules of the Exchange and Rule I-7 of the Rules of the Clearinghouse. As such, they supplement the Rules of the Exchange and the Rules of the Clearinghouse, as applicable. Any conflicts between the Rules of the Exchange or the Rules of the Clearinghouse and these DBOR Contract Terms with respect to the trading or clearing of DBOR Contracts, as applicable, will be resolved in favor of these DBOR Contract Terms. Capitalized terms used but not defined herein have the meanings ascribed to them in the Rules of the Exchange or the Rules of the Clearinghouse, as applicable.

CHAPTER I DEFINITIONS

I-1. Certain Defined Terms

“**Business Day**” means any day other than a Saturday, Sunday or any other day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to be closed.

“**DBOR**” means, with respect to any film title that is the subject of a DBOR Contract, the aggregate gross domestic box office receipts in the United States and Canada in U.S. dollars as compiled by Rentrak Theatrical and/or Nielsen EDI and published in Variety Magazine (or such other publicly available source or sources as may be designated by the Exchange from time to time).

“**DBOR Contract**” has the meaning set forth in Rule II-1(a).

“**DBOR Contract Terms**” has the meaning set forth in the Preamble.

“**DBOR Determination Period**” means the period described as such in Rule II-3(b) for each DBOR Contract.

“**End of Trading**” means, with respect to DBOR Contracts, 5:00 P.M. on each Trading Day or such other time as the Exchange may from time to time prescribe.

“**Equilibrium Price**” means the “fair market price” of a DBOR Contract as of the conclusion of the Opening Auction, determined in accordance with the application of the Exchange's proprietary pricing algorithm, as described in Rule IV-21(d) of the Rules of the Exchange (or any successor Rule thereto), to the Master Order Book maintained by the Exchange, containing the bids and offers submitted in the relevant Opening Auction conducted with respect to such DBOR Contract.

“**Final Settlement Price**” means the final settlement price of a DBOR Contract calculated after its DBOR Determination Period.

“**First Release Date**” means the first date on which a film title is being shown to the public in at least one theater in North America that reports DBOR data to Nielsen EDI or Rentrak Theatrical.

“**First Trading Day**” means the first Trading Day on which the relevant DBOR Contract trades on the Exchange and will be specified in each DBOR Contract.

“**Last Trading Day**” means the last Trading Day on which the relevant DBOR Contract trades on the Exchange before settlement; *provided*, that the Last Trading Day shall under no circumstances be any earlier than the Tuesday following the close of the DBOR Determination Period.

“**Master Order Book**” means the book maintained by the Exchange containing all bids and offers on DBOR Contracts entered in the Opening Auction or continuous trading market with respect to a DBOR Contract.

“**Nielsen EDI**” means Nielsen EDI, a service of Nielsen Entertainment and part of VNU Media Measurement Information.

“**Opening Auction**” means the two-sided, single price auction conducted that may be conducted by the Exchange on the First Trading Day with respect to a DBOR Contract, as described in Rule IV-21 (or any successor Rule thereto) in the Rules of the Exchange.

“**Participant**” shall mean any Person that has been granted, and continues to have (i) Trading Privileges under the Rules of the Exchange and (ii) Clearing Privileges through the Clearinghouse.

“**Release Week**” means the period beginning on any Monday and ending on the following Sunday, except that if such Monday is any of New Years Day, Martin Luther King Day, President’s Day, Memorial Day, the 4th of July, Labor Day or Christmas Day in the United States, then such Release Week shall begin on Tuesday and such Monday shall be part of the prior Release Week.

“**Rentrak Theatrical**” means Rentrak Theatrical, a unit of the Rentrak Corporation.

“**Trading Day**” means any day on which the Exchange is open and available for the trading of DBOR Contracts and the Clearinghouse is open and available for the clearing of DBOR Contracts.

“**Wide Release**” means a film title that, as of the relevant time of determination, is being shown to the public in at least 650 theaters in North America, as reported by Nielsen EDI or Rentrak Theatrical.

I-2. References to Times of Day

All times of day referenced in these DBOR Contract Terms refer to the local time prevailing in The City of New York, New York, unless otherwise expressly set forth in the relevant provision.

CHAPTER II

DBOR CONTRACT SPECIFICATIONS

II-1. Obligations of Parties to a DBOR Contract; Settlement Method; Settlement Date

(a) Pursuant to each DBOR Contract entered into through the Exchange, the seller agrees to sell to the purchaser, and the purchaser agrees to purchase from the seller, a specified portion of an identified film title's DBOR, as measured by the sum of the daily box office receipts in the U.S. and Canada, in accordance with these DBOR Contract Terms, during the first four weeks after the film title's initial release (such contract a "DBOR Contract").

(b) Each DBOR Contract will be settled exclusively by cash settlement.

(c) Each DBOR Contract will be listed for one, and only one, cash settlement date.

II-2. Acceptable Orders

(a) The following types of Orders for transactions in DBOR Contracts may be entered into the Exchange:

(i) Limit Orders; and

(ii) Market Orders.

(b) For each Order type listed in Rule II-2(a), Orders will be executed in whole or in part depending on the availability of opposite side Orders.

II-3. DBOR Contract Size; DBOR Determination

(a) The unit size of each DBOR Contract will be the aggregate DBOR during the DBOR Determination Period for the relevant underlying film title, divided by the contract divisor of 1,000,000. Therefore, each DBOR Contract will represent 1/1,000,000th of the aggregate DBOR during the DBOR Determination Period; a \$1,000,000 change in revenues will cause a \$1.00 change in the value of a Contract. The method of determining the Final Settlement Price is further described in Rule II-13(a).

(b) The DBOR Determination Period for each DBOR Contract shall begin on the First Release Date and conclude at the end of the fourth (4th) Release Week after the underlying film title achieves Wide Release status. In the event that the underlying film title fails to achieve Wide Release status prior to the end of the twelfth (12th) Release Week, then the DBOR Determination Period shall conclude at the end of such twelfth (12th) Release Week.

II-4. Position Limits in DBOR Contracts

(a) Subject to any available hedge exemptions (discussed in Rule II-3(b)), a Participant will not be permitted to hold a net long or net short position in any DBOR Contract that exceeds 10,000 DBOR Contracts.

(b) Entities that are engaged in hedging activities through the use of short positions in DBOR Contracts, and Market Makers, may be granted hedge exemptions that exceed the short side speculative position limits by application to the Exchange; *provided, however*, that no short side hedge exemptions will be granted that would permit sale of more than 30% of the underlying position on which such hedge exemption is based and *provided further* that under no circumstances shall any hedge exemption be granted that would permit a Participant to hold a position exceeding 300,000 DBOR Contracts. Commercial entities eligible for short side hedge exemptions include (but are not necessarily limited to) film studios, film funds or other investors in films. Participants that are engaged in hedging activities through the use of long positions in DBOR Contracts, and Market Makers, may be granted hedge exemptions that exceed the long side speculative position limits by application to the Exchange. Any application for hedge exemptions made under this Rule shall include by any information or supporting material prescribed or reasonably requested by the Exchange, and shall include such facts as may be necessary to demonstrate the applicant's need to use DBOR Contracts for hedging purposes.

II-5. Price Limits in DBOR Contracts

On each Trading Day, the amount by which the price of a DBOR Contract may increase or decrease is limited to an amount equal to 10% of its prior day's Settlement Price rounded to the next highest 0.5, which in no event will be less than 2.5, provided that the Exchange shall have the authority, under extraordinary market circumstances, to set daily price limits at different levels if, in the reasonable judgment of the Exchange, such action is warranted for the protection of the market and Participants.

II-6. Original Margin for DBOR Contracts

(a) Subject to any minimums as set forth in the Rules of the Exchange, the Original Margin for long positions in any DBOR Contract is 100% of the applicable DBOR Contract value based on (i) the actual purchase price for new long positions that are established during a Trading Day or (ii) the Settlement Price for positions that are existing positions as of the commencement of trading on such Trading Day.

(b) Subject to any minimums as set forth in the rules of the Exchange, the Original Margin for short positions in any DBOR Contract is the greater of \$25 per DBOR Contract or 50% of the DBOR Contract value, based on the Settlement Price at the end of the prior Trading Day.

(c) The Exchange will conduct periodic reviews of DBOR Contract Original Margin rates and may establish rates that differ from those listed above; *provided, however*, that

under no circumstances shall such rate be less than any minimum then in effect pursuant to the Rules of the Clearinghouse.

II-7. Symbols

Each DBOR Contract will be assigned a unique six-character (“A” to “Z”, “0” to “9” or space) ticker symbol representing the film title by the contract terms governing that DBOR Contract and pursuant to these DBOR Contract Terms.

II-8. Quotation Description; Minimum Increment

(a) 1.0 point will equal \$1 million of DBOR such that a film title with four week DBOR of \$250,000,000 will be quoted as 250.0.

(b) The minimum increment of a DBOR Contract quotation is 0.25, representing the equivalent of \$250,000 of DBOR.

II-9. Reportable Limits

A position of 1,000 DBOR Contracts constitutes a reportable position.

II-10. DBOR Contract Listing Standards

A film title will be listed subject to the criteria established by the Exchange in its reasonable judgment, taking into account the following factors, among any others deemed relevant by the Exchange:

- (i) whether there is sufficient economic interest in the specific film title to establish and sustain a market in DBOR Contracts on the film;
- (ii) the stage of the film title’s production process;
- (iii) whether there is an anticipated release date that is at least one and no more than twelve months forward;
- (iv) designation by Rentrak Theatrical or Nielsen EDI (or another publicly available source designated by the Exchange) that such film title is calendared for theatrical release; and
- (v) any other criteria that the Exchange determines are relevant to a film title’s eligibility.

The Exchange will be responsible for monitoring listing criteria and adjusting the contracts to be listed if these criteria cannot reasonably be met before the First Trading Day. All such criteria will be evaluated on a reasonable estimated basis since actual data may not be available until a film title is released.

II-11. Opening Auctions for DBOR Contracts

Bids and offers in connection with the Opening Auction for a DBOR Contract may be submitted between 9:00 A.M. and 3:00 P.M. on the First Trading Day for such DBOR Contract. The Opening Auction for such DBOR Contract shall be executed at 3:00 P.M. on the First Trading Day.

II-12. Trading Hours for DBOR Contracts

A DBOR Contract may be traded at any time, seven days a week, 24 hours each day (with the exception of emergency cessations of trading).

II-13. Final Settlement Price; Final Settlement

(a) The Final Settlement Price for a DBOR Contract will be an amount equal to the underlying film title's DBOR during the DBOR Determination Period divided by one million (1,000,000), and then rounded to the nearest cent (\$0.01). Exact half cents shall be rounded to the nearest even cent. As an example, the Final Settlement Price of a DBOR Contract with an underlying film title that has earned a DBOR of \$56,455,000 during the DBOR Determination Period would be calculated by taking \$56,455,000 divided by 1,000,000 (equaling \$56.455), and then rounding such amount to \$56.46.

(b) The Final Settlement Price of a DBOR Contract shall be effective at 9:00 A.M. on the Business Day following the Last Trading Day, at which time all open positions in DBOR Contracts shall be marked to the Final Settlement Price and closed out.

II-14. Withdrawn Releases

If a DBOR Contract's underlying film title is withdrawn from distribution after its theatrical release, then the applicable DBOR Contract will be settled at a Final Settlement Price calculated pursuant to Rule III-13(a).

II-15. Delays in Release Date

(a) If a DBOR Contract's underlying film title's release date is modified from its previously announced expected release date, the Exchange will publish such change and the DBOR Determination Period will be modified accordingly. If the release of a DBOR Contract's underlying film title is indefinitely delayed, the Contract shall be permitted to trade for liquidation only until such time as there are zero Open Contract Positions in such Contract. The Contract shall be delisted from trading on the Exchange effective as of the End of Trading on the first Trading Day on which there are zero Open Contract Positions in such Contract.

(b) If, in the sole discretion of the Exchange, it appears unlikely that Open Contract Positions in a DBOR Contract will reach zero, the Exchange shall use its reasonable best efforts to contact Participants with Open Contract Positions in such Contract to encourage them to place liquidating bids or offers for such Contract. If, in the sole discretion of the Exchange, such actions are deemed to be impracticable or unlikely to reduce Open Contract Positions in such DBOR Contract to zero, the Exchange may use any emergency procedures then

authorized under the Rules of the Exchange to determine a Final Settlement Price for such DBOR Contract and settle in cash any then remaining Open Contract Positions.

II-16. Daily and Weekly Reports

The Exchange will publish a weekly report to all Participants and Authorized Traders containing information relevant to DBOR Contract listings, including (i) those DBOR Contracts with respect to which the film titles are first entering or have already entered their DBOR Determination Period for the purpose of determining the Final Settlement Price; (ii) those DBOR Contracts with respect to which the underlying film title is in such limited distribution or audience testing that it does not yet satisfy the criteria necessary for its theatrical revenue to be considered in determining the Final Settlement Price; (iii) those DBOR Contracts with respect to which the underlying film title has been withdrawn from distribution or has had its release date indefinitely delayed; (iv) changes to the First Trading Day, Last Trading Day or the release date of the underlying film title of any DBOR Contract; and (v) any other publicly available information about the underlying film title of any DBOR Contract that the Exchange deems relevant.