



20 South Wacker Drive
Chicago, IL 60606-7499
www.cme.com

312/930.1000 tel
312/466.4410 fax

February 11, 2005

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RECEIVED
C.F.T.C.
2005 FEB 11 AM 7:32

**RE: Chapter One of CME's Rulebook
Submission No. 05-16**

Dear Ms. Webb,

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission that the Exchange has approved revisions to the rules in Chapter One of CME's Rulebook to reflect current procedures in the Shareholder Relations and Membership Services Department. The main changes are summarized below:

- CME Rule 110 has been updated to reflect that claims for losses that occur after the sale of a membership but before the payment of seat "sale" proceeds will not be considered valid against such proceeds.
- CME Rule 102 has been updated to reflect that non-member individuals and entities (i.e., "Non-Member Investors") are able to own memberships and, as an owner, are subject to applicable CME Rules.
- CME Rule 103 and 104 have been updated to more closely reflect the actual purchase and sale processes of a membership. For example, references to "elected to membership" have been changed to "approved for membership" throughout Chapter One.
- CME Rule 106 has been updated for clarification of "Member" versus "Non-Member Investor" and the definition of "family member" under 106.C has been formalized.
- References to permit programs that have expired or are no longer available have been eliminated.

Additions to Chapter One are underlined and deletions are lined out.

The Exchange certifies that this revision neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules and regulations thereunder.

If you have any questions regarding this matter, please call me at (312) 648-5422.

Sincerely,

/S/ Stephen M. Szarmack
Director and Associate General Counsel

SMS/elm/4233 SUB 05-16.doc

001 MEMBERSHIP

CHAPTER 1 MEMBERSHIP	1
100. GENERAL	1
101. QUALIFICATIONS AND RESPONSIBILITIES	1
102. PROOF OF MEMBERSHIPNON-MEMBER INVESTORS INDIVIDUALS AND ENTITIES	1
PURCHASE , SALE, PURCHASE AND TRANSFER	1
103. PURCHASE OF MEMBERSHIP AND CLASS B SHARE AND MECHANICS OF PURCHASE	2
103.A. Purchase of Membership and Class B Share	2
103.B. Mechanics of Purchase	2
1034. SALE OF MEMBERSHIP AND CLASS B SHARE	1
104. PURCHASE OF MEMBERSHIP AND CLASS B SHARE AND MECHANICS OF PURCHASE	2
104.A. Purchase of Membership and Class B Share	2
104.B. Mechanics of Purchase	2
105. APPLICATION FOR MEMBERSHIP	2
105.A. Application Process for Membership Accessing the Trading Floor	3
105.B. Application Process for Members Not Requesting Accessing to the Trading Floor	3
105.C. Application for Floor Broker's or Floor Trader's License	4
106. TRANSFERS, SECURITY TRANSACTIONS, AND AUTHORIZATIONS TO TRANSFER OR SELL	4
106.A. Control Agreements and Authorizations to Sell or to Transfer or Sell	4
106.B. Security Transactions	4
106.C. Family Transfers	4
106.D. Futures Industry Transfers	5
106.E. Unconditional Bequests and Bona Fide Gifts of Membership	6
106.F. Clearing Member Transfers	6
106.G. Transfer by Wholly-Owned Entities	6
106.H. Non-Member Firms Employee Transfers	6
106.I. Related Party Employee Transfers	7
106.J. [Reserved]	7
106.K. Transfer to a Trust	7
106.L. Transfer of Membership Created by the Membership Rights Program	8
106.M. Transfer to Joint Tenants With Right of Survivorship	8
106.N. GEM Institutional Access Firm	8
106.O. Transfer of GEM Membership	9
106.P. Transfer to a Family Limited Partnership	9
106.Q. [RESERVED]	9
106.R. Arcade and Proprietary Trading Firm Transfers	9
107. APPROVAL OF APPLICANT	10
108. [RESERVED]	10
109. REJECTION OF APPLICANT	10
110. CLAIMS AGAINST MEMBER, APPLICATION OF PROCEEDS	10
111. — 119. [RESERVED]	12
PRIVILEGES AND RESPONSIBILITIES	12
120. MEMBERSHIP CATEGORIES	12
121. MEMBERSHIP PRIVILEGES	12
122. MEMBERSHIP DUES AND ASSESSMENTS PAYABLE	13
123. COMPLIANCE WITH THE COMMODITY EXCHANGE ACT	13
124. VIOLATIONS OF COMMODITY EXCHANGE ACT	13
125. GRATUITY FUND	13
126. MEMBERSHIP EDUCATION PROGRAMS	13
127. MEMBER RETENTION PROGRAM	13
128. — 130. [RESERVED]	13
INVOLUNTARY SALE	14
131. EXPULSION FOR FRAUD OR DISHONESTY PRIOR TO ELECTION TO MEMBERSHIP	14
132. SUSPENSION FOR FAILURE TO PERFORM[RESERVED]	14
133. SALE OF MEMBERSHIP AND CLASS B SHARE WHEN MEMBER DEFAULTS	14
134. [RESERVED]	14
135. GEM DIVISION	14
135.A. Trading Privileges of GEM Members	14
135.B. Restriction on Trading Floor Access	15
136. — 138. [RESERVED]	15
139. SERIAL MONTH LIVE CATTLE PERMIT PROGRAM	15
139.A. Number of Permits	15
139.B. Eligibility and Approval	15
139.C. Term of Permits	15
139.D. Cost of Permits	15
139.E. Serial Month Live Cattle Permit Holder Privileges	15
139.F. Additional Limitations on Serial Month Live Cattle Permit Holders	15

001 MEMBERSHIP

139.G	Jurisdiction.....	15
139.H	Non-Compliance.....	15
140.	AGRICULTURAL BUSINESS SOLICITATION PERMIT PROGRAM.....	16
140.A.	Number of Permits.....	16
140.B.	Eligibility and Approval.....	16
140.C.	Term of Permits.....	16
140.D.	Cost of Permits.....	16
140.E.	PAS Privileges.....	16
140.F.	Additional Limitations of PAS Holders.....	16
140.G.	Jurisdiction.....	16
141.	CURRENCY BUSINESS SOLICITATION PERMIT PROGRAM.....	16
141.A.	Number of Permits.....	16
141.B.	Eligibility and Approval.....	17
141.C.	Term of Permits.....	17
141.D.	Cost of Permits.....	17
141.E.	CBSP Privileges.....	17
141.F.	Additional Limitations on CBSP Holders.....	17
141.G.	Jurisdiction.....	17
142. — 145.	[RESERVED].....	18
146.	IPC LIMITED ACCESS LICENSE PROGRAM.....	18
146.A.	Number of Licenses.....	18
146.B.	Eligibility.....	18
146.C.	Term of Licenses.....	18
146.D.	Dues and Payment of Fees.....	18
146.E.	Specific Trading Privileges.....	18
146.F.	Trading and Other Limitations.....	18
146.G.	Jurisdiction.....	18
146.H.	Non-Compliance.....	18
1471. — 14951.	[RESERVED].....	19
150.	CROSS-EXCHANGE TRADING PRIVILEGES.....	19
150.A.	Applicants for Cross-Exchange Privileges.....	19
150.B.	Termination of Cross-Exchange Privileges.....	19
151.	ELECTRONIC TRADING HOURS (ETH) PERMIT PROGRAM.....	19
151.A.	Number of Trading Permits.....	19
151.B.	Eligibility.....	19
151.C.	Term of Permits.....	19
151.D.	Cost of ETH Permits.....	19
151.E.	Specific Trading Privileges.....	19
151.F.	Additional Limitations on ETH Permit Holders.....	19
151.G.	Jurisdiction.....	19
151.H.	Non-Compliance.....	20
152.	GLOBEX OPEN ACCESS LEARNING (GOAL) PERMIT PROGRAM.....	20
152.A.	Number of Trading Permits.....	20
152.B.	Eligibility.....	20
152.C.	Term of Permits.....	20
152.D.	Cost of GOAL Permits.....	20
152.E.	Specific Trading Privileges.....	20
152.F.	Additional Limitations on GOAL Permit Holders.....	20
152.G.	Jurisdiction.....	21
152.H.	Non-Compliance.....	21
153. — 193.	[RESERVED].....	21
194.	NEW PRODUCT ACCESS PROGRAM.....	21
194.A.	General.....	21
194.B.	Trading Privileges and Restrictions.....	21
194.C.	Brokerage Privileges and Restrictions.....	21
194.D.	Jurisdiction.....	21
194.E.	Extension of Program for Contributing Members.....	21
194.F.	Clearing Fees.....	22
194.G.	Purchase Incentive Reserved.....	22
194.G.H.	Termination of Program.....	22
195.	EURO FX AND EURO FX CROSS-RATES TRADING PERMIT PROGRAM.....	22
195.A.	Number of Trading Permits.....	22
195.B.	Eligibility.....	22
195.C.	Term of Permits.....	22
195.D.	Cost of Permits.....	22
195.E.	Specific Trading Privileges and Responsibilities.....	23

001 MEMBERSHIP

<u>195.F. Additional Limitations on Euro FX TP Holders</u>	<u>23</u>
<u>195.G. Jurisdiction</u>	<u>23</u>
<u>195.H. Non-Compliance</u>	<u>23</u>
<u>INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 1</u>	<u>i</u>
<u>RULE 110</u>	<u>i</u>
<u>RULE 120</u>	<u>i</u>
<u>INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS</u>	<u>ii</u>

001 MEMBERSHIP

CHAPTER 1 MEMBERSHIP

100. GENERAL ¹

Membership with full privileges in the CME Division shall be limited to 625; membership with full privileges in the IMM Division shall be limited to 813; membership with full privileges in the IOM Division shall be limited to 1287; and membership with full privileges in the GEM Division shall be limited to 413. Membership in the Exchange is a personal privilege subject to transfer only as authorized and on the conditions prescribed herein.

101. QUALIFICATIONS AND RESPONSIBILITIES ²

Any adult of good moral character, reputation and business integrity, with adequate financial resources and credit to assume the responsibilities and privileges of membership, is eligible for election ~~approval~~ to membership in the Exchange. ~~A determination as to whether an applicant for membership or an applicant for an pricing incentive program benefits offered by CME satisfies the Exchange requirements shall be made by the appropriate CME Membership Committee or by staff in the applicable department. A person elected approved~~ for membership ~~and, or an individual or entity approved for an receiving any pricing incentive program benefits pursuant to an Exchange program, shall be subject to are presumed to know all the rules and regulations of the Exchange and agree to abide by them them and be subject to them while a member or while receiving such pricing incentive benefits. Notwithstanding a transfer of membership, a person elected approved to for membership agrees to shall continue to be responsible for any violations of Exchange rules and regulations committed by him, while he was a member and also agrees to have any disputes, which arise arose while he he is was a member and which relate to or arise out of any transaction upon the Exchange or membership in the Exchange, resolved in accordance with Chapter 6. In addition, an individual or entity participating in an incentive program receiving any pricing incentive benefits pursuant to an Exchange program agrees to abide by the laws of such entity's ies or individuals incorporation or domicile, as applicable in which it is incorporated or domiciled.~~

102. NON-MEMBER INVESTORS INDIVIDUALS & ENTITIES PROOF OF MEMBERSHIP ³

~~The Membership Department of the Exchange shall maintain an official register of all members and t ransfers of memberships. This official register shall consist of a list of members together with each member's signature and a current address supplied by the member where all notices may be served. This official register of memberships shall at all reasonable times be open to inspection by any member and shall be proof of membership upon which the Exchange shall conclusively rely. A person An individual or entity may purchase a membership interest and the associated Class B Share and be approved as a "Non-Member Investor" Class B Shareholder ("Class B Shareholder") in the Exchange. The person individual or entity shall file an Application to become a Non-Member Investor Class B Shareholder with the Shareholder Relations and with Membership Services Department ("the "Department"). A Non-Member Investor Class B Shareholder is presumed to know all the rules and regulations of the Exchange and agrees to abide by them and be subject to them. -responsible for any violations of Exchange rules and regulations and agrees to have disputes which arise while a Class B Shareholder and relate to or arise out of any transaction upon the Eexchange resolved in accordance with Chapter 6. In the event that multiple individuals own a membership, interest and associated Class B share, such individuals shall appoint a designated individual who shall have the authority to sell, lease, pledge or otherwise dispose of or encumber the membership, interest and Class B Share. Further, in the event that a legal entity owns a membership, interest and associated Class B Share, such entity must provide the Department with appropriate corporate, partnership or other legal documentation indicating who has authority to sell, lease, pledge or otherwise dispose of or encumber the membership and any other documentation requested by the Department, and associated Class B Share.~~

PROCEDURES FOR PURCHASE, SALE, PURCHASE AND TRANSFER

103. SALE OF MEMBERSHIP AND CLASS B SHARE ⁴

~~A membership in the Exchange may only be sold in conjunction with the Class B Share coupled to such membership as provided for in the Rules. When a member or the legal representative of a deceased or incompetent member desires to sell a membership and Class B Share, he shall sign and file with the Shareholder Relations and Membership Services Department an Offer to Sell, which shall set forth the price at which he is offering his membership and Class B Share, and contain an agreement to the conditions of sale set forth in these rules. If there is no legal representative of a deceased or incompetent member, the Board may~~

¹ Revised March 1980; September 1981; March 1982; January 1983; July 1984 November 1995; Revised November 2000; November 2001.

² Revised May 1980; July 1984; December 1984; October 1989; April 1990; Revised November 2000; March 2004.

³ Revised March 1980; May 1981; March 1982; July 1984; Revised November 2000.

⁴ Revised March 1980; July 1984; December 1988; October 1992, July 1995; November 2000; November 2001; March 2002.

001 MEMBERSHIP

require the person signing an Offer to Sell to execute a bond in favor of the Exchange.

Upon the sale of a membership and Class B Share, all membership privileges granted by Rule 121 shall terminate. In addition, a member, who pursuant to Rule 106.D., is transferred a membership in a division in which he is a member, shall have his application reviewed by Exchange staff for approval.

1043. PURCHASE OF MEMBERSHIP AND CLASS B SHARE AND MECHANICS OF PURCHASE¹

1034.A. Purchase of Membership and Class B Share²

A membership in the Exchange may only be purchased in conjunction with the Class B Share coupled to such membership as provided for in the Rules. The prospective purchaser of a membership and Class B Share shall sign and file with the Shareholder Relations and Membership Services Department ~~Department~~ an Offer to Purchase which shall ~~a) be guaranteed by:~~ a) ~~a) a clearing member of the Exchange; or b) the deposit of a certified or cashier's check; or c) a wire transfer; or d) for swap transactions, the deposit of a CME, IMM, or IOM or GEM membership and associated Class B Share and/or a wire transfer; or a certified or cashier's check. The Bid to Purchase, and which shall contain an agreement by the purchaser to take no recourse against the Exchange in the event his Application for Membership is rejected (except as provided in Section 8c of the Commodity Exchange Act). In the event the membership and Class B Share being purchased is financed, the prospective purchaser shall file with the Shareholder Relations and Membership Services Department an executed Subordination Agreement and satisfactory proof that he has given a complete copy of Rules 109 and 110 to the financing party.~~

For Purposes of this Chapter 1, a membership in the Exchange may only be purchased in conjunction with the Class B Share coupled to such membership. References to a "membership" shall include the associated Class B Share. In addition, all of the forms described in Chapter 1 are available on CME's website at www.CME.com or in the Department.

1034.B. Mechanics of Purchase

The Shareholder Relations and Membership Services Department ~~Department~~ shall post the lowest offer to sell and the highest bid to buy ~~purchase~~ a membership and Class B Share in each category ~~Division~~. The Shareholder Relations and Membership Services Department ~~Department~~ shall match bids and offers and, in the event of an agreement, shall promptly notify the purchaser and the seller. Within two business days of such notification, the purchaser shall deposit with the Shareholder Relations and Membership Services Department ~~Department~~ the following:

- a. A check, payable to the Exchange, for a transfer fee in an amount set by the Board; and
- b. (1) A wire transfer, or ~~A~~ a certified or cashier's check, if not previously deposited, or a check or a wire transfer from a CME clearing firm, payable to the Exchange, in the amount of the purchase price or, (2) if the seller has filed a written consent, a CME, IMM, or IOM, or GEM, membership and associated Class B Share if not previously deposited, owned free of any Rule 110 claims or any other liens, representing partial or complete satisfaction of the purchase price, and constituting a partial or complete exchange of membership(s) and Class B Share(s) to that extent. Pursuant to such an exchange of membership(s) and Class B Share(s), the purchaser and seller each must file an indemnification agreement in favor of the Exchange from a clearing member by which the clearing member agrees to pay all valid Rule 110 claims against the purchaser or the seller, as the case may be, up to the value at the time of the exchange of the membership(s) and Class B Share(s) transferred by such purchaser or seller.

104. SALE OF MEMBERSHIP AND CLASS B SHARE³

A membership in the Exchange may only be sold may only be sold in conjunction with the Class B Share coupled to such membership as provided for in the Rules. When the owner or the legal representative of an owner desires to sell a membership and Class B Share, he shall sign and file with the Department an Offer to Sell, which shall set forth the price at which he is offering his membership and Class B Share, and contain an agreement to the conditions of sale set forth in these rules.

Upon the sale of a membership and Class B Share, any and all membership privileges granted by these rules shall terminate.

¹ Revised March 1980; July 1984; December 1988; October 1992; November 2000; November 2001.

² Revised November 1995; Revised November 2000.

³ Revised March 1980; July 1984; December 1988; October 1992; July 1995; November 2000; November 2001; March 2002.

001 MEMBERSHIP

105. APPLICATION FOR MEMBERSHIP¹

105.A. Application Process for Membership Accessing the Trading Floor

The applicant shall file an Application for Membership and the appropriate fee with the Department. Such Application shall: include an agreement by the applicant to take no recourse against the Exchange in the event his application is rejected (except as provided in Section 8c of the Commodity Exchange Act); set forth all financial arrangements made in connection with the proposed purchase or transfer of the membership and associated Class B Share; contain an agreement to abide by the rules and regulations of the Exchange and all amendments thereto; ~~and contain an acceptance of the burdens and risks inherent in an application for membership which may be rejected.~~

Upon completion of the foregoing, the ~~Shareholder Relations and Membership Services Department~~Department shall notify the membership, by ~~ordinary~~ mail and by posting for a period of 20 days, of the name of the applicant, the seller, ~~or transferor and the purchase price and the transfer type~~. The notice shall request the submission to the ~~Shareholder Relations and Membership Services Department~~Department of claims against the seller or transferor arising out of Exchange futures transactions or any other relationship regulated by the Exchange. The A Long Form application shall not be considered during the posting period; however, upon request, Exchange staff may waive any part of the period.

During the posting period, the ~~Shareholder Relations and Membership Services Department~~Department shall prepare a report on the qualifications of the applicant.

The Short Form application of a member ~~who who purchases a membership and associated Class B Share or is transferring onto~~ a membership may be approved by Exchange staff before the expiration of the posting period, provided the member obtains an indemnification agreement in favor of the Exchange from a clearing member to cover Rule 110 claims up to the value of the membership ~~and associated Class B Share at the time of purchase or the transfer~~.

An applicant who wishes to procure a membership by purchase, or by transfer, may do so either prior or subsequent to ~~approval~~election for membership pursuant to Rule 107. An applicant who has acquired a membership prior to ~~approval~~election for membership shall become a member upon such ~~approval~~election. An applicant ~~approved~~ forelected to membership prior to acquiring a membership shall become a member if within thirty calendar days after ~~approval~~ election to membership, ~~he he~~ shall procure a membership-, otherwise his election to membership shall be deemed vacated and the Exchange shall retain the membership application processing fee. Extensions of the 30-day period in which the applicant must acquire a membership may be granted by Exchange staff.

105.B. Application Process for Members Not Requesting Accessing to the Trading Floor²

The applicant shall file an Application for Membership with the Department. ~~The applicant shall: agree~~ Such Application shall: include an agreement by the applicant to take no recourse against the Exchange in the event his application is rejected (except as provided in Section 8c of the Commodity Exchange Act); set forth all financial arrangements made in connection with the proposed purchase or transfer of the membership and associated Class B Share; ~~agree~~ and contain an agreement to abide by the applicable rules and regulations of the Exchange and all amendments thereto; ~~and contain an acceptance of the burdens and risks inherent in an application for membership which may be rejected.~~

The applicant may ~~shall~~ receive temporary ~~non-trading floor~~ membership privileges which do permit trading floor access upon the filing of a complete Application; unless the Department has reason to believe that the applicant is not qualified for membership, the completion of the above documentation so long as the information provided does not provide grounds for a rejection of the applicant. An applicant that receives temporary ~~non-trading floor~~ membership privileges shall be subject to all of the rules of the Exchange including the rules related to the approval and rejection of an applicant. Such temporary ~~non-trading floor~~ membership privileges will expire upon the earlier of: 1) sixty days after the temporary membership privileges are granted; 2) a rejection of the applicant's membership application by the Membership Committee; or 3) notification that the application for membership has been approved. An applicant who receives temporary non-trading floor membership privileges who is subsequently rejected for membership shall reimburse the Exchange for the difference between trading and clearing fees paid by reason of the temporary membership status and the fees that would have been paid on the same transaction at the rates that would have otherwise prevailed.

The ~~Shareholder Relations and Membership Services Department~~Department shall notify the membership, by ~~ordinary~~ mail and by posting for a period of 20 days, of the name of the applicant, the seller or transferor and the purchase price. The notice shall request the submission to the ~~Shareholder Relations and Membership Services Department~~Department of claims against the seller or transferor arising out of Exchange futures transactions or any other relationship regulated by the Exchange. During the posting period, the ~~Shareholder Relations and Membership Services Department~~Department shall prepare a report on the qualifications of the applicant.

The application Application of a member who obtains purchases a membership and associated Class B Share ~~or~~

¹ Revised March 1980; February 1981; March 1981; April 1981; July 1984; January 1987; December 1988; December 1989; April 1990; November 1991; October 1992; July 1995; November 2000; November 2001.

² Adopted October 2003.

001 MEMBERSHIP

~~is transferred onto~~ a membership may be approved by the ~~Department~~ Exchange staff before the expiration of the posting period, provided the member obtains an indemnification agreement in favor of the Exchange from a clearing member to cover Rule 110 claims up to the value of the membership and associated Class B Share at the time of purchase or transfer.

An applicant who has acquired a membership prior to ~~approval~~ ~~election~~ ~~to~~ ~~for~~ membership shall become a member upon such ~~election~~ ~~approval~~. An applicant ~~elected~~ ~~approved~~ ~~for~~ ~~to~~ membership prior to acquiring a membership shall become a member if within thirty calendar days after ~~approval~~ ~~forelection~~ ~~to~~ membership, ~~he~~ ~~she~~ shall procure a membership, otherwise his ~~election~~ ~~to~~ membership shall be deemed vacated and the Exchange shall retain the membership application processing fee. Extensions of the 30-day period in which the applicant must acquire a membership may be granted by the ~~Department~~ Exchange staff.

105.C. Application for Floor Broker's or Floor Trader's License ¹

Each membership applicant seeking a floor broker's or floor trader's license shall apply for registration as a floor broker or a floor trader with the National Futures Association. Individuals not accessing the trading floor are not required to obtain floor broker or floor trader registration and shall provide the Exchange with a copy of such application prior to consideration of his Exchange application by the Membership Committee. Exchange staff may waive this requirement for applicants who are not required by CFTC Regulations to register as a floor broker or floor trader.

106. TRANSFERS, SECURITY TRANSACTIONS, AND AUTHORIZATIONS TO TRANSFER OR SELL ²

Unless a properly completed Indemnification Form is filed by a member's qualifying clearing member, ~~Transfers~~ of memberships may be made only in accordance with the following provisions. All of the applicable procedures and requirements for the sale and purchase of a membership and associated Class B Share as set forth in Chapter 1, including the provisions of Rule 110, shall apply to transfers made under this rule. A transfer, reinstatement or revocation of a transfer shall not be completed until all valid Rule 110 claims against the member are satisfied.

106.A. Control Agreements and Authorizations to Sell or to Transfer or Sell ³

A Control Agreement and an Authorization to Sell or to Transfer or Sell Form ("Authorization Form") are grants of authority by a member or applicant for membership which may be used only for the purposes specified in this Rule 106. A Control Agreement or Authorization Form shall be effective only if executed on ~~the~~ ~~such~~ a form supplied by the Exchange and filed with the ~~Shareholder Relations and Membership Services Department~~ ~~Department~~. A Control Agreement and Authorization Form shall be irrevocable without the written consent of the grantee.

A member or applicant for membership who executes an Control Agreement Authorization Form and/or Control Agreement Authorization Form relinquishes his power to direct the transfer or sale of his membership and associated Class B Share and/or Class A Shares, as applicable. ~~The~~ A grantee shall have all powers of transfer or sale that otherwise would have been available to the grantor, and the Exchange shall act at the grantee's direction as if the grantee were ~~was~~ the member-owner and/or owner of Class B A Shares, governed by the Forms, as applicable.

Private agreements between the grantor and the grantee shall not be recognized by the Exchange and shall not affect the rights of the Exchange or its members. The grantee shall, however, be entitled, in addition to any other rights ~~he~~ ~~he~~ may have under Rule 110, to the residual proceeds after all Rule 110 claims have been satisfied.

106.B. Security Transactions ⁴

A member, ~~or~~ applicant for membership ~~or a Non-Member Investor~~ ~~Class B Shareholder~~, may execute a Control Agreement and/or an Authorization Form, as applicable, in favor of ~~at~~ the clearing member, a financial institution or bank or in favor of the member that financed the purchase of the membership and associated Class B Share in order to secure any outstanding debt connected with that financing.

A member, ~~applicant for membership or a Class B Shareholder~~ ~~Non-Member Investor~~, may execute a Control Agreement and/or an Authorization Form, as applicable, in favor of a member or clearing member to whom the member is indebted by reason of futures transactions upon the Exchange in order to secure that debt.

106.C. Family Transfers ⁵

A member ~~or Class B Shareholder or Non-Member Investor~~ may temporarily transfer his membership to a member of his immediate family who shall be subject to all Exchange rules and regulations. For purposes of this rule, immediate family members shall be limited to mother, father, siblings, children, grandchildren and spouse.

Rule 106.C ~~Transfers under this section~~ shall be subject to the following terms and conditions:

¹ Adopted April 1990. Revised June 1993; July 1995; Revised November 2000.

² Revised February 1979; March 1980; July 1984; Revised November 2000; November 2001.

³ Revised December 2001.

⁴ Revised December 2001.

⁵ Revised April 1981; July 1984; September 1993; Revised November 2000; November 2001.

001 MEMBERSHIP

1. The transferor may revoke the transfer upon written notice filed with the ~~Shareholder Relations and Membership Services Department~~Department.
2. The transferor shall have the right at any time to have the transferee disqualified from trading by giving notice to the transferee's qualifying clearing member, who in turn must notify the Exchange pursuant to CME Rule 511.A.
3. The transfer shall be revoked and the membership shall revert to the transferor's estate or conservator upon official notice of the death or formally declared incompetence of the transferor.
4. Upon ~~election approval to~~ for membership, the transferee shall be treated as a member for all purposes, except that the transferee shall have no authority to sell, transfer or assign the membership. The transferor shall be considered the member ~~for purposes of imposing restrictions on the transferee pursuant to Rule 903,~~ and an existing assignment of the associated membership for clearing purposes pursuant to Rule 902 shall not be terminated by the transferee.
5. The transferor may sell the membership and associated ~~Class B Share~~ at any time in accordance with the provisions of Rule ~~1034~~ or transfer the membership and associated Class B Share pursuant to Rule 106. The proceeds of the sale of the membership and associated Class B Share will be distributed to the transferor following the settlement of all claims pursuant to Rule 110.¹

106.D. Futures Industry Transfers²

A member or ~~Non-Member Investor Class B Shareholder~~ may temporarily transfer his membership to another ~~person~~ member who shall be subject to all Exchange rules and regulations.

Transfers under this section shall be subject to the following terms and conditions:

1. The transferor may revoke the transfer upon written notice filed with the ~~Shareholder Relations and Membership Services Department~~Department.
2. The transferor shall have the right at any time to have the transferee disqualified from trading by giving notice to the transferee's qualifying clearing member and such clearing member, who in turn must subsequently notify the Exchange pursuant to CME Rule 511.A.
3. The transfer shall be revoked and the membership shall revert to the transferor's estate or conservator upon official notice of the death, ~~or~~ formally declared incompetence of the transferor or the transferor's expulsion from the Exchange.
4. The transferor is eligible to be elected to the Board of Directors as a Class B-1 Director, Class B-2 Director or Class B-3 Director (as such terms are defined in the Certificate of Incorporation), whichever is applicable. A transferor who is a member of the Board may have access to the trading floor in order to meet with other members, but may not trade while on the trading floor. ~~floor and may enter orders only by calling them in to a clearing member's customer order desk.~~³
5. The transferor may sell the membership and associated ~~Class B Share~~ at any time in accordance with the provisions of Rule ~~103-104~~ or transfer the membership pursuant to Rule 106. The proceeds of the sale of the membership ~~and associated Class B Share~~ will be distributed to the transferor following the settlement of all claims pursuant to Rule 110.
6. ~~Exchange staff shall consider applications of transferees under this section in the order in which their applications, including all necessary financial and background reports, have been filed. The processing of applications generated by transfer pursuant to this section shall in no way interfere with, hinder or delay the processing of other membership applications.~~Reserved.
7. The transferee must be qualified to trade ~~only by the clearing member who qualifies the transferor (if the transferor is a member) or~~ by a clearing member acceptable to the transferor. The transferor may not assign the associated membership and ~~Class B Share~~ for clearing purposes pursuant to Rule 902.
8. A transferee shall place all trades on the books of his qualifying clearing member unless written authorization to the contrary from said clearing member and from the transferor has been filed with the ~~Shareholder Relations and Membership Services Department~~Department. Failure to adhere to the requirements of this rule and CME Rule 511 shall exclude a ~~the~~ clearing member not qualifying the transferor from receiving proceeds under Rule 110.

¹ Adopted July 1984; Revised November 2000; November 2001.

² Revised February 1979; June 1980; April 1981; July 1984; September 1993; June 1999; November 2000; May 2001; November 2001. Please see "Interpretations & Special Notices Relating to Chapter 9" for a discussion of increased capital charges for Rule 106.D. transferees.

³ Revised June 1987; March 1995; Revised November 2000; November 2001.

001 MEMBERSHIP

9. Any amounts paid by a transferee into the previously existing Member Purchase Program between November 1, 1988 through March 28, 1991 may be applied by the transferee toward the purchase of a membership in the CME, IMM or IOM Division ~~and associated Class B Share~~ provided that the transferee has continuously held a membership pursuant to Rule 106.D. or 106.F. from April 1, 1991, up to the date of the purchase. If a transferee ceases to hold a membership pursuant to Rule 106.D. or 106.F. before purchasing a membership ~~and associated Class B Share~~, the amounts paid into the Program shall be retained by the Exchange. ~~Exchange staff may review interruptions and grant exemptions from the requirement in the preceding sentence upon request by a transferee and a showing of good cause.~~¹
10. Except as provided in Rule 135, any transferee ~~elected~~ approved ~~to~~ for membership pursuant to this Rule 106.D. after January 7, 1985, who was not a member as of January 7, 1985, shall be eligible to execute trades only for his own account for a cumulative period of twelve (12) months following his or her election to membership unless exempted there from by ~~Exchange staff~~ the Membership Committee.²
11. A lease entered into on or after February 1, 1996, which ~~may be~~ is terminated by a transferee prior to its expiration date, shall be controlled by the following early cancellation payment obligation:

A transferee who unilaterally terminates a lease remains obligated to make the agreed rental payments to transferor until the end of the term of the lease; however, transferee's obligation to make such rental payments shall be reduced by the amount of rental payments received by transferor if transferor is able to lease ~~out~~ the membership to another person during the remaining term of the original lease. Transferor must hereby agree ~~to use~~ his best efforts to lease ~~out~~ the membership to another person as soon as possible and at the highest possible rental obtainable based on similar leases, if any, then being executed ~~made~~.
12. A lessor shall notify the Exchange, in a manner designated by the Exchange, of the terms of a new lease agreement or any renewal of a lease agreement within two (2) business days of the negotiation of the lease agreement, or renewal thereof, ~~detailing the terms of the lease agreement~~. A lessor's failure to comply with this Rule 106.D. ~~shall may~~ result in the issuance of a warning letter to the lessor. A lessor ~~shall may~~ then be subject to an automatic fine of \$500 and \$1000 respectively for a second and third violation of this rule within a rolling 12-month period from the issuance of the warning letter. Repeated violations of this rule may be referred to a disciplinary committee for further review.

106.E. Unconditional Bequests and Bona Fide Gifts of Membership³

A member ~~or Non-Member Investor Class B Shareholder~~ may make a bona fide gift or bequest of membership. The bona fide gift may be made only to immediate family members as defined in Rule 106.C. Unless otherwise required by law, a letter affirming the gift or Letters of Office from the Probate Court and a letter from the decedent's personal representative allowing the transfer will be required as a precondition of transfer.

106.F. Clearing Member Transfers⁴

A membership ~~and associated Class B Share~~ may be owned by a clearing member, or a person or an entity principal having an acceptable proprietary interest in the clearing member. The membership may be transferred to a member provided that: (1) the transfer is approved by Exchange staff; and (2) the transferee is approved pursuant to the rules of the Exchange.

106.G. Transfer by Wholly-Owned Entities⁵

A membership may be transferred to an entity which is wholly-owned by the member or his spouse, children, parents or siblings. Transfers pursuant to this authorization shall be limited to transfers pursuant to Rules 106.C., D. or E.

A 106.G. transferee may assign the membership and A membership and associated Class B Share held pursuant to a transfer under this section may be assigned for clearing purposes in accordance with Rule 902.

106.H. NonCorporate-Member Firm Firms-Employee-Transfers⁶

A membership ~~and associated Class B Share~~ may be owned by, or two memberships ~~and associated Class B Shares~~ may be leased by ~~transferred to~~, a ~~noncorporate~~ member firm. The memberships may be held in the name of the corp. ~~corporate~~ member firm or transferred to an employee of the ~~corporate~~ non-member firm and transferred among its employees provided that: (1) the transfer is approved by Exchange staff; (2) the transferee is approved pursuant to the rules of the Exchange; and (3) the transfer is for the legitimate business purposes of the firm. The firm shall have the right, at any time, to have the employee disqualified from trading, but must have him disqualified upon termination of his employment with the firm. Notice to have the employee

¹ Effective June 1984. Revised January 1987; September 1988; November 1989; April 1991; February 1996; Revised November 2000; November 2001.

² Effective January 1985. Revised November 1995; Revised November 2000.

³ Adopted November 2001.

⁴ Revised July 1984; Revised November 2000; November 2001; August 2002.

⁵ Revised June 1982; July 1984; August 1996; November 2000; November 2001; August 2002.

⁶ Revised July 1984; November 2000; November 2001; August 2002; March 2004.

001 MEMBERSHIP

disqualified from trading must be given to the employee's qualifying clearing member who in turn must notify the Exchange pursuant to CME Rule 511.A. The ~~corporatenon-member~~ firm shall designate on a form provided by the Exchange a representative who shall be authorized to deal with the Exchange with respect to the membership and associated Class B Share transferred under this Section.

A Rule 106.H. membership may not be transferred pursuant to Rule 106.C., D., F., G., I or R. The membership and associated Class B Share may not be assigned for clearing purposes under Rule 902.

Rule 106.H. ~~corporatenon-member~~ firm benefits only apply to the firm's proprietary trading and not to the trading of any affiliates, subsidiaries or customers. All proprietary positions of the ~~corporatenon-member~~ firm must be carried by a clearing member(s) in accounts separate from positions of affiliates, subsidiaries, customers and other entities.

The Any holder or transferee of a Rule 106.H. membership may not solicit or contact customers from the floor of the Exchange.

A Rule 106.H. ~~corporatenon-member~~ firm may not hold itself out to the public as an Exchange member.

106.I. Related Party Employee Transfers ¹

A "related-party" shall be defined to include a clearing member or a firm that either: 1) owns, directly or indirectly, 100% of a clearing member or 2) ~~that~~ has 100% ownership, direct or indirect, in common with a firm that owns, directly or indirectly, 100% of a clearing member.

A membership and associated Class B Share may be owned by a clearing member or related party non-member firm under this Rule. The membership may be held in the name of the firm or transferred to an employee of a related party that directly or indirectly owns or is owned by all other related parties within the organization of related parties and be transferred among its employees provided that: (1) the transfer is approved by Exchange staff; (2) the transferee is approved for membership pursuant to the rules of the Exchange; and (3) the transfer is for the legitimate business purposes of the firm. The related party shall have the right, at any time, to have the employee disqualified from trading, but must have him disqualified upon termination of his employment with the firm. Notice to have the employee disqualified from trading must be given to the employee's qualifying clearing member, and such clearing member who in turn must subsequently notify the Exchange pursuant to CME Rule 511.A. The clearing member or related party non-member firm shall designate on a form provided by the Exchange a representative who shall be authorized to deal with the Exchange with respect to the membership and associated Class B Share transferred held under this Section.

A Rule 106.I. membership may not be transferred pursuant to Rule 106.C., D., E., F., or G., H. or R. The membership and associated Class B Share may not be assigned for clearing purposes under Rule 902.

Rule 106.I. ~~non-member~~ firm benefits apply to the proprietary trading activity of any related party within the 100% related party structure. All proprietary positions of the ~~non-member~~ firm and its related parties must be carried by a clearing member(s) in accounts separate from positions of affiliates, subsidiaries, customers and other entities. A current list of all related parties of Rule 106.I. members must be submitted to the Audit Department.

A Rule 106.I. non-member firm may not hold itself out to the public as an Exchange member.

Exchange staff may grant exemptions from the requirements of this Rule.

106.J. [Reserved]

106.K. Transfer to a Trust ²

A member or a member's personal representative may transfer his membership and associated Class B Share to a trust for which the member is grantor. The document(s) establishing the trust shall at all times include the restrictions as to permissible beneficiaries and state that (i1) the trust takes the membership and associated Class B Share subject to all of the rules of the Exchange, ~~as may be amended, including, but not limited to, Rule 110 and, if the membership and associated Class B Share is assigned to a clearing member for clearing qualification, Rule 902,~~ (ii2) the interests in the membership and associated Class B Share that inure to the beneficiaries of the trust shall be subject to all of the rules of the Exchange, as may be amended, (iii3) the Exchange's rights with respect to the membership and associated Class B Share are superior to those of the beneficiaries, and (iv4) the Exchange shall have no liability to the beneficiaries of the trust in the event of the mishandling of the trust assets by the trustee. The grantor (or the grantor's personal representative) and the trustee (and any successor) shall each provide in the form provided by the Exchange an acknowledgment that the trust takes the membership and associated Class B Share subject to all of the rules of the Exchange and that the trust is in compliance with the requirements of this Rule.

If such a transfer is made by a bona fide gift or bequest, it shall also be subject to the requirements of Rule 106.E.

The grantor's liability to the Exchange under Rule 440 shall continue with respect to any claim arising out of an act or omission occurring prior to such transfer, and the membership and associated Class B Share will continue to be treated as the asset of the grantor for the purposes of Rule 440 and for otherwise meeting any obligations

¹ See "Interpretations & Special Notices Relating to Chapter 8" for the clearing fee policy as it relates to Rule 106.I. Adopted February 1986; Revised November 2000; November 2001; August 2002; July 2003.

² Adopted May 1991. Revised February 1994; July 1996; November 2000; November 2001.

001 MEMBERSHIP

to the Exchange arising out of the grantor's use of the membership prior to the transfer to the trust, including fines imposed with respect to conduct occurring prior to the transfer.

A membership ~~and associated Class B Share~~ held pursuant to a transfer under this section may be assigned for clearing privileges or reinstated to the transferor pursuant to this section.

The transfer shall be revoked and the membership ~~and associated Class B Share~~ shall revert to the transferor upon official notice to the Exchange that the trust has been revoked.

106.L. Transfer of Membership Created by the Membership Rights Program ¹

Exchange staff is authorized to allow the transfer of the ownership of record of any membership ~~and associated Class B Share~~ created by the combination of four quarter memberships pursuant to the Membership Rights Program provided that the transferor and the transferee have each continuously maintained at least a quarter interest in the membership from the date of the combination of the membership ~~and the associated Class B Share~~.

106.M. Transfer to Joint Tenants With Right of Survivorship ²

A member ~~or a member's personal representative~~ may transfer his membership ~~and associated Class B Share~~ to himself and a member of his immediate family, ~~who would be eligible for a family transfer from him pursuant to as defined in Rule 106.C.~~, as joint tenants with right of survivorship.

The joint tenants shall designate on a form provided by the Exchange which one of them shall be authorized to deal with the Exchange with respect to the membership transferred under this Section. The designee may qualify for membership by satisfying the requirements of Chapter 1 of these rules, and shall be treated as a member for all purposes. In the designation form, the joint tenants shall acknowledge that the designee shall have the exclusive right to transfer the membership ~~and associated Class B Share~~ or to execute a Control Agreement and that the Exchange shall have no liability to the non-designee in the event of such transfer or execution or the mishandling of the membership ~~and associated Class B Share~~ by the designee. The joint tenants may at any time change such designation in writing signed by both of them, and each such change shall be deemed a transfer for the purposes of these rules. Upon such change in designation, the new designee may qualify for membership by satisfying the requirements of Chapter 1 of these rules.

Whether or not the transferor is the designee, the transferor's liability to the Exchange under Rule 440 shall continue with respect to any claim arising out of an act or omission occurring prior to a transfer under this rule, and the membership ~~and associated Class B Share~~ will continue to be treated as an asset of the transferor for the purposes of Rule 440 and for otherwise meeting any obligations to the Exchange arising out of the transferor's use of the membership prior to such transfer, including fines imposed with respect to conduct occurring prior to the transfer.

Upon receipt of satisfactory proof of the death of a joint tenant, the Exchange will transfer the membership to the survivor.

Upon receipt by the Exchange of written notice signed by both joint tenants terminating joint ownership of the membership ~~and associated Class B Share~~ transferred under this section and instructing the Exchange to transfer the membership ~~and associated Class B Share~~ to one of the joint tenants as sole owner, the Exchange shall transfer such membership ~~and associated Class B Share~~ pursuant to such instructions.

A membership ~~and associated Class B Share~~ held pursuant to a transfer under this section may not be assigned for clearing privileges under Rule 902.

106.N. GEM Institutional Access Firm ³

A GEM membership ~~and associated Class B Share~~ may be owned by a non-member firm. The membership may be held on the name of the firm or may be transferred to an employee of the non-member firm and transferred among its employees provided that: (1) the transfer is approved by Exchange staff, (2) the transferee is approved pursuant to the rules of the Exchange; (3) the transfer is for the legitimate business purposes of the firm; ~~and~~ (4) the firm is not engaged in a futures customer business with U.S. customers. The firm shall have the right, at any time, to have the employee disqualified from trading, but must have him disqualified upon termination of his employment with the firm. Notice to have the employee disqualified from trading must be given to the employee's qualifying clearing member. The non-member firm shall designate on a form provided by the Exchange a representative who shall be authorized to deal with the Exchange with respect to the membership ~~and associated Class B Share~~ transferred under this Section.

A Rule 106.N. membership may not be transferred pursuant to Rule 106.C., D., F. or G. The membership ~~and associated Class B Share~~ may not be assigned for clearing purposes under Rule 902.

Rule 106.N. non-member firm benefits only apply to the firm's proprietary trading and not to the trading of any affiliates, subsidiaries or customers. All proprietary positions of the non-member firm must be carried by a clearing member(s) in accounts separate from positions of affiliates, subsidiaries, customers and other entities.

A Rule 106.N. non-member firm may not hold itself out to the public as an Exchange member.

¹ Adopted August 1991; Revised November 2000; November 2001.

² Adopted November 1992; Revised November 2000; November 2001.

³ Adopted November 1995; Revised November 2000; November 2001; August 2002.

001 MEMBERSHIP

The holder of a GEM membership pursuant to this section may solicit foreign customers -from the floor of the Exchange, but only in products within the GEM Division and bona fide spreads involving such products.

106.O. Transfer of GEM Membership ¹

Ownership of record of a GEM membership ~~and associated Class B Share~~ that was formed by the combination of GEM fractional interests may be transferred to any of the members whose fractional interests were combined to form that GEM membership ~~and associated Class B Share~~.

106.P. Transfer to a Family Limited Partnership ²

A member may transfer his membership ~~and associated Class B Share~~ to a Family Limited Partnership ("FLP") with respect to which all partners are members of the member's family who would be eligible for a family transfer from the member pursuant to Rule 106.C. ~~("Eligible Family Members")~~. The limited partnership agreement or other document(s) governing the FLP shall at all times prohibit ~~assignments-transfers~~ of an interest in the FLP to any person who is not an ~~eligible pursuant to Rule 106.C~~ Family Member and shall state that (i) the FLP's interest in the membership shall at all times be subject to all of the rules of the Exchange, as may be amended, including, but not limited to, Rule 110 and, if the membership is assigned to a clearing member for clearing qualification, Rule 902; (ii) management of the FLP shall be vested exclusively in a managing general partner, who may qualify for membership by satisfying the requirements of Chapter 1 of these rules; and (iii) the Exchange shall have no liability to the partners for any loss, damage, or expense resulting from any acts or omissions by the managing general partner or any person acting by or through the authority of a general partner. The transferor and the managing general partner (and any successor) shall each provide in the form provided by the Exchange a certification that the FLP acquires the membership ~~and associated Class B Share~~ subject to all of the rules of the Exchange and that the FLP is in compliance with the requirements of this Rule. The FLP also may transfer the membership ~~and associated Class B Share~~ back to the transferor.

If the ~~assignment-transfer~~ of a membership ~~and the associated Class B Share~~ to the FLP is made by a bona fide gift or bequest, it shall also be subject to the requirements of Rule 106.E. ~~("Unconditional Bequest or Bona Fide Gift of Membership")~~.

~~Transfer~~ Assignment of a membership ~~and associated Class B Share~~ pursuant to this rule shall not relieve the transferor of any liability to the Exchange under Rule 440 with respect to any claim arising out of an act or omission occurring prior to such transfer, and the membership ~~and associated Class B Share~~ will continue to be treated as the asset of the transferor for the purposes of Rule 440 and for otherwise meeting any obligations to the Exchange arising out of the transferor's use of the membership prior to the transfer to the FLP, including fines imposed with respect to conduct occurring prior to the transfer.

A membership ~~and associated Class B Share~~ held pursuant to a transfer under this section may be assigned for clearing purposes under Rule 902.

106.Q. [RESERVED]

106.R. ~~Arcade and Proprietary Trading Firm Transfers~~ Electronic Corporate Member Transfers ³

A membership ~~and associated Class B Share~~ may be owned by, or two memberships ~~and associated Class B Shares~~ may be transferred to, an arcade or a proprietary trading firm. The membership may be held in the name of the firm or transferred to an employee of the arcade or proprietary trading firm and transferred among its employees provided that: (1) the transfer is approved by Exchange staff; (2) the transferee is approved pursuant to the rules of the Exchange; and (3) the transfer is for the legitimate business purposes of the firm. The arcade or proprietary trading firm shall have the right, at any time, to have the employee disqualified from trading, but must have him disqualified upon termination of his employment with the firm. Notice to have the employee disqualified from trading must be given to the employee's qualifying clearing member. The arcade or proprietary trading firm shall designate on a form provided by the Exchange a representative who shall be authorized to deal with the Exchange with respect to the membership ~~and associated Class B Share~~ transferred under this Section.

A Rule 106.R. membership may not be transferred pursuant to Rule 106. C., D., E., F., G., H. or I. The membership ~~and associated Class B Share~~ may not be assigned for clearing purposes under Rule 902.

Rule 106.R. benefits only apply to an arcade's or a proprietary trading firm's proprietary trading and not to the trading of any affiliates, subsidiaries or customers. All proprietary positions of the arcade or proprietary trading firm must be carried by a clearing member(s) in accounts separate from positions of affiliates, subsidiaries, customers and other entities.

A Rule 106.R. membership does not confer upon a holder or transferee of such membership the ability to access the trading floor. In addition, an individual that has owned or held a CME, IMM or IOM membership in the previous two years, may not be a holder or transferee of a Rule 106.R. membership.

A Rule 106.R. arcade and proprietary trading firm may not hold itself out to the public as an Clearing Member of the Exchange member.

¹ Adopted January 1996; Revised November 2000; November 2001.

² Adopted August 1996; Revised November 2000; November 2001.

³ Adopted March 2004.

001 MEMBERSHIP

107. APPROVAL OF APPLICANT¹

~~Exchange Membership Department~~ staff shall review and approve applicants for membership on the Exchange. Such approval shall be based upon admission criteria established by the Membership Committee. The Membership Committee shall review applicants for membership not meeting the staff administered admission criteria.

~~Exchange Department~~ staff shall inquire into and be satisfied with respect to the reputation and financial responsibility of the applicant and the details of the financial arrangements made in connection with the purchase or transfer of the membership and associated Class B Share. After review of all the data information, a decision shall be made as to whether the applicant is qualified for membership. An applicant approved for membership by Exchange staff shall assume the responsibilities and privileges of membership once membership and associated Class B Share is obtained.

An applicant not approved for membership not approved who is rejected for membership by Exchange Department staff shall be referred to may appeal that rejection to shall be referred to a panel of the Membership Committee. A panel of the Membership Committee shall consist of two members and a chairman, who shall have a vote. A unanimous vote of the panel is required for approval of before the applicant is approved for membership.

An applicant approved for membership either by Exchange Department staff or the Membership Committee, as applicable, shall assume the responsibilities and privileges of membership once a membership and associated Class B Share is obtained.

108. [RESERVED]

109. REJECTION OF APPLICANT²

If an applicant is rejected by the Membership Committee panel, the applicant may appeal the decision to the full Membership Committee. The Membership Committee, consisting of five members and a chairman, shall decide, by majority vote, whether the applicant is qualified for membership. The decision of the Membership Committee shall be final. An applicant rejected by the Membership Committee may be reconsidered for membership if new or additional information is subsequently brought to the attention of the Membership Committee. If an applicant is rejected for membership or if for any reason his application is withdrawn, the Exchange shall retain the processing fee and the applicant shall assume all risk of gain or loss from the resale of the membership and associated Class B Share purchased by him prior thereto.

If the applicant executed and filed ~~a Control Agreement or a Authorization to sell~~ form with the Shareholder Relations and Membership Services Department ~~Department~~ a Control Agreement in connection with the financing of the purchase of a membership and associated Class B Share, then the proceeds of any sale of such membership and associated Class B Share shall be paid to the holder of the Control Agreement or a Authorization to sell form (i.e., the pledgee), up to the amount of the debt, including interest. Rule 110 shall not apply where an applicant has not been elected approved for to membership.

110. CLAIMS AGAINST MEMBERSHIP, APPLICATION OF PROCEEDS

For the purposes of this rule: "sale" shall include a transfer made in accordance with the provisions of Rule 106; "seller" shall include firms that have membership privileges pursuant to Rules 106. F., G., H., I., N., R. or S.; and "claim" shall be limited to claims involving incidents that occurred prior to the sale of the membership and which arose in connection with transactions on the Exchange or membership in the Exchange. Claims resulting from conduct subsequent to the sale of a membership may not be asserted against that membership or its proceeds. All claims against the seller's membership or its proceeds shall be submitted in writing to the Shareholder Relations and Membership Services Department within 20 days of the posting of notice of the sale of said membership. At the conclusion of the 20-day claim filing period, the Market Regulation Department and the Shareholder Relations and Membership Services Department shall conduct an investigation of all claims properly filed against the seller's membership or its proceeds. This investigation shall be completed within 20 days.

The proceeds of the sale, or in the case of a transfer, the value at the mid-point of the bid-offer spread as of the date of the transfer, of the membership shall be applied to the following purposes and in the following order of priority:

a. Payment of all dues, fines, contributions, charges and other indebtedness due to the Exchange, the CME Gratuity Fund or GFX Corporation;

b. Payment of any indebtedness to the clearing member who last qualified the selling member prior to the sale arising out of a pledge of: (i) such membership as collateral security on such indebtedness, or (ii) a deficit which

¹ Revised March 1980; February 1981; July 1984; January 1987; May 1993; July 1995; February 1997; November 2000; November 2001.

² Revised March 1980; June 1982; March 1988; April 1990; October 1992; November 2000; November 2001.

001 MEMBERSHIP

the Exchange staff determines to have arisen directly out of futures-transactions on the Exchange or transactions with GFX Corporation;

c. Payment of amounts due to members and other clearing members on claims filed which the Exchange staff determines to have arisen directly out of futures-transactions on the Exchange;

d. Payment of amounts due to public customers of the seller based on claims filed by such customers or based on reports of the Market Regulation Department, which claims are determined by the Exchange staff to be based upon misappropriation of customer funds, improperly executed futures-transactions, unpaid credit balances, or other similar matters, directly related to futures-transactions on the Exchange;

e. No other claims against the proceeds of the sale of a membership shall be recognized and administered by the Exchange, but the creditors of the seller of a membership not falling in the foregoing categories may pursue other legal means of securing payment of their obligations.

The Exchange staff shall make a final determination of all claims filed in time or reported by the Market Regulation Department and the Shareholder Relations and Membership Services Department against the proceeds of the sale of a membership.

Except as provided in Rule 913, the Exchange staff shall make a distribution of such proceeds within 40 days after receiving notification and confirmation of the sale of the membership, unless claims to the proceeds are not resolved within that period. If, however, at such time an Exchange disciplinary proceeding is pending against the seller or, based upon a pending investigation, is highly probable, or if a legal proceeding, in respect to which the indemnification provisions of Rule 439 would operate, is pending, has been announced or is highly probable, then the Exchange staff shall retain so much of the proceeds as determined by staff in order he judges the staff determines will be required to satisfy such obligations until such time as the pending matter is concluded.

Distribution of proceeds shall be made by the payment of claims in the categories listed in this rule to the extent the proceeds from the sale are sufficient to meet those obligations. If the proceeds of the sale of a membership are insufficient to pay all amounts determined to be due under the categories listed in this rule, the proceeds shall be applied to pay the full amounts determined to be due under subparagraphs a, b, c and d in the priority named. If the proceeds are insufficient to pay the amounts determined to be due under any priority, the claims due under that priority shall be paid pro rata, and the remaining priorities shall be left unpaid. In determining the amount of any claim, the Exchange staff shall first deduct the fair cash value of any collateral held by that claimant.

The surplus, if any, shall be paid to the person whose membership was sold or his legal representative or a 106.A-B Grantee, as applicable, upon the execution of a satisfactory release. The Exchange staff's determination and allowance of claims hereunder shall be final. The death, incompetence, expulsion, suspension, insolvency or bankruptcy of a member shall not affect the rights of claimants under this rule.

(Next Rule 120)

110. CLAIMS AGAINST MEMBER, APPLICATION OF PROCEEDS¹

~~For the purposes of this rule, the term "sale" shall include a transfer made in accordance with the provisions of Rule 106, and the term "seller" shall include firms that have membership privileges pursuant to Rules 106.G., H., I. or N. When the President receives notification and confirmation of the sale of a membership, he shall promptly request the Division of Market Regulation and the Shareholder Relations and Membership Services Department to conduct an investigation of claims made pursuant to this rule against the membership seller by the Exchange, members, clearing members or the public, which arise out of Exchange futures transactions. This investigation shall be completed within 20 days of the date the President receives notification and confirmation of the sale of said membership.~~

~~All claims against the seller of the membership shall be submitted in writing to the Shareholder Relations and Membership Services Department within 20 days of the posting of notice of the sale of said membership.~~

~~The proceeds of the sale of a membership shall be applied to the following purposes and in the following order of priority:~~

~~a. Payment of all dues, fines, contributions, charges and other indebtedness due to the Exchange, the CME Gratuities Fund or GFX Corporation;~~

~~b. Payment of any indebtedness to the clearing member who last qualified the selling member arising out of a~~

¹ Revised March 1979; August 1984; January 1988; May 1990; April 1993; September 1996; February 1998; November 2000; November 2001; August 2002.

001 MEMBERSHIP

~~pledge of such membership as collateral security on such indebtedness, or a deficit which the President determines to have arisen directly out of futures transactions on the Exchange or transactions with GFX Corporation;~~

- ~~c. Payment of amounts due to members and other clearing members on claims filed which Exchange staff determines to have arisen directly out of futures transactions on the Exchange;~~
- ~~d. Payment of amounts due to public customers of the seller based on claims filed by such customers or based on reports of the Division of Market Regulation, which claims are determined by the President to be based upon misappropriation of customer funds, improperly executed futures transactions, unpaid credit balances, or other similar matters, directly related to futures transactions on the Exchange;~~
- ~~e. No other claims against the proceeds of the sale of a membership shall be recognized and administered by the Exchange, but the creditors of the seller of a membership not falling in the foregoing categories may pursue other legal means of securing payment of their obligations.~~

~~The President shall make a final determination of all claims filed in time or reported by the Division of Market Regulation and the Shareholder Relations and Membership Services Department against the proceeds of the sale of a membership.~~

~~Except as provided in Rule 913, the President shall make a distribution of such proceeds within 30 days after receiving notification and confirmation of the sale of the membership, unless claims to the proceeds are not resolved within that period. If, however, at such time an Exchange disciplinary proceeding is pending against the seller or, based upon a pending investigation, is highly probable, or if a legal proceeding, in respect to which the indemnification provisions of Rule 440 would operate, is pending, has been announced or is highly probable, then the President shall retain so much of the proceeds as he judges will be required to satisfy such obligations until such time as the pending matter is concluded.~~

~~Distribution of proceeds shall be made by the payment of claims in the categories listed in this rule to the extent the proceeds from the sale are sufficient to meet those obligations. If the proceeds of the sale of a membership are insufficient to pay all amounts determined to be due under the categories listed in this rule, the proceeds shall be applied to pay the full amounts determined to be due under subparagraphs a, b, c and d in the priority named. If the proceeds are insufficient to pay the amounts determined to be due under any priority, the claims due under that priority shall be paid pro rata, and the remaining priorities shall be left unpaid. In determining the amount of any claim, the President shall first deduct the fair cash value of any collateral held by that claimant.~~

~~The surplus, if any, shall be paid to the person whose membership was sold or his legal representative upon the execution of a satisfactory release. The President's determination and allowance of claims hereunder shall be final. The death, incompetency, expulsion or suspension of a member shall not affect the rights of claimants under this rule.~~

(Next Rule 120)

111.— 119. [RESERVED]

PRIVILEGES AND RESPONSIBILITIES

120. MEMBERSHIP CATEGORIES ¹

~~There are shall be four categories of membership: CME, IMM, IOM and GEM. CME Division membership privileges shall extends to all commoditiesfuturesproducts; IMM Division membership privileges are shall be limited to commoditiesfuturesproducts assigned to that Division, the IOM Division and the GEM Division by the Board; IOM Division membership privileges are shall be limited to commoditiesfuturesproducts assigned to that Division and the GEM Division by the Board, and GEM Division membership privileges are shall be limited to commoditiesfuturesproducts assigned to that Division by the Board.~~

~~A member of the IMM, IOM or GEM Division who personally executes trades on the floor in commoditiesfuturesproducts other than those assigned to his respective Division shall be guilty of a major offense, except as provided by Rule 194. A member of the IMM, IOM or GEM Division who trades products on through GLOBEX as to which he does not have membership privilegespriviledges in commoditiesfuturesproducts other than those assigned to the respective Division shall is not be entitled to member's rates for such trades.~~

121. MEMBERSHIP PRIVILEGES ²

~~Membership in the Exchange entitles the member to the followingcertain privileges including the right:~~

- ~~a. To access the trading floor if properlyOnce qualified by a clearing member, Tto appear upon the floor of the~~

¹ Revised March 1981; July 1984; June 1986; June 1987; February 1989; November 1995; November 2000.

² Revised March 1980; March 1984; July 1984; June 1987; February 1989; November 2000; November 2001.

001 MEMBERSHIP

~~Exchange during business days, except that a member who has been disqualified shall forfeit this privilege until he has been re-qualified and such qualification is on file with the Shareholder Relations and Membership Services Department.~~
Department;

- b. ~~To be qualified to act as a floor broker and/or floor trader within his membership category provided he~~ he ~~complies in accordance with the requirements of Chapter 5;~~
- c. To receive member or lessee clearing fee rates in accordance with Exchange requirements.

122. MEMBERSHIP DUES AND ASSESSMENTS PAYABLE ¹

Dues and other amounts owed to the Exchange, including CME Gratuity Fund dues and assessments, and amounts owed to the CME Club are payable upon receipt of the invoice. Members in arrears 60 days after the invoice date ~~may~~ shall automatically forfeit all membership privileges, including the privileges of accessing the floor and reduced clearing and trading fees, including Globex fees rates. Exchange staff shall attempt to use reasonable efforts notify the member ~~in writing five business days before the action is to occur~~ any privileges are forfeited.

123. COMPLIANCE WITH THE COMMODITY EXCHANGE ACT ²

All members of the Exchange shall comply with the provisions of the Commodity Exchange Act, ~~as required~~ and the rules and regulations duly issued pursuant thereto by the CFTC, including the filing of reports, maintenance of books and records, and permitting inspection and visitation by duly authorized representatives of the CFTC, ~~all in the form and manner prescribed.~~

124. VIOLATIONS OF COMMODITY EXCHANGE ACT ³

Within a reasonable time following the receipt of final notice under Section 6(b) of the Commodity Exchange Act from the CFTC that any person has been found guilty of violating the provisions of the Commodity Exchange Act, Exchange staff shall take the necessary action to effectuate the order of the CFTC, and shall report such action to the Board.

125. GRATUITY FUND

Every person becoming a member of the Exchange ~~on or after December 15, 1953 (the date of the organization of Chicago Mercantile Exchange Inc. Gratuity Fund)~~ who is not leasing a membership and every person becoming a member of any Division of the Exchange, whether now or hereafter existing, ~~on or after July 21, 1976,~~ who at the time of his admission has not attained his 55th birthday, shall automatically become a member of Chicago Mercantile Exchange Inc. Gratuity Fund and shall be required to pay the initial fee and all assessments imposed, in compliance with the by-laws of said Gratuity Fund and shall be bound by said by-laws and all amendments thereof and by such other rules and regulations as may be adopted by the Board of Directors of the Exchange or the Gratuity Fund in conformity with such by-laws. Every person who becomes a member of the Gratuity Fund shall be required to continue as a member thereof so long as ~~he~~ he continues as a member of the Exchange or any of its Divisions.

126. MEMBERSHIP EDUCATION PROGRAMS ⁴

All member's right to access the trading floor requires that he first seeking floor access ~~are required to~~ attend an initial educational program respecting CFTC and Exchange trading rules, federal, Exchange, and administrative sanctions for violating rules, and their legal and professional responsibilities concerning treatment of customer orders and handling of customer business.

Continued access requires members to ~~Thereafter, all members are required to~~ comply with the ethics standards set forth in Appendix B to Part 3 of the CFTC's Regulations-Statement of Acceptable Practices, or any ~~such~~ equivalent ethics training.

127. MEMBER RETENTION PROGRAM ⁵

The Member Retention Program was terminated on February 2, 2000. Individuals who have funds on deposit with the Exchange that were accrued pursuant to the Member Retention Program may use such funds to purchase a CME, IMM or IOM membership ~~and associated Class B Share~~.

(Next Rule 131)

128.— 130. [RESERVED]

¹ (NOTE: Previous Rule 122.—ASSIGNMENT OF MEMBERS' RATES, eliminated March 1979. Revised November 2000

² Revised November 2000

³ Revised November 2000

⁴ Adopted April 1990; Revised October 1990; September 1993; March 1995; November 2000; June 2002.

⁵ Adopted July 1995. Renumbered from 135 to 127 December 1995. Revised February 1996; November 2000; October 2001; November 2001.

001 MEMBERSHIP

INVOLUNTARY SALE

131. **EXPULSION FOR FRAUD OR DISHONESTY PRIOR TO ELECTION TO MEMBERSHIP**¹

Any member of the Exchange who is found to have been guilty of fraud or dishonest conduct prior to becoming a member and of failing to make full disclosure thereof in his application for membership, or who is found guilty of having made a false statement of a material fact in or in connection with his application, may be expelled from membership in the Exchange upon the affirmative vote of a majority of the ~~Board~~ Hearing Committee of the Board.

132. **SUSPENSION FOR FAILURE TO PERFORM**~~[RESERVED]~~²

A member, who has received notice of a complaint by another member that he has failed or refused to perform a contract on the Exchange, or to pay an obligation arising from such contract, shall be required to respond to the notice within three business days. If the obligation is denied, the matter shall be arbitrated pursuant to the provisions of Chapter 6. If the obligation is admitted or is not denied or is established by arbitration, the defaulting member shall satisfy the obligation within three days thereof (except for such stay as may be provided for with respect to an appeal from an arbitration decision) or be automatically suspended until he has satisfied said obligation. Notice of such suspension shall be promptly posted on the bulletin board by Exchange staff.

Application for reinstatement to membership must be accompanied by a statement from the applicant and the complaining member that said obligation has been satisfied. Notice of such application for reinstatement shall be posted on the bulletin board for at least five days so that the membership may comment on the application for reinstatement.

133. **SALE OF MEMBERSHIP AND CLASS B SHARE WHEN MEMBER DEFAULTS**³

If the ~~Board~~ Hearing Committee of the Board ~~CME Sstaff~~ determines that a member or a firm that has membership privileges pursuant to Rules 106.G., H., I. or N., is in default upon any financial obligation indebtedness or assessment due to the Exchange or the CME Gratuity Fund, or any financial obligation indebtedness due to another member or to a clearing member arising in connection with out of Exchange transactions on the Exchange contracts, ~~at the~~ Hearing Committee of the Board ~~CEO~~ may order the membership and associated Class B Share of the defaulting member or firm sold and the proceeds applied as provided in Rule 110. If, within 30 days of such ~~Board~~ CEO order of sale, the defaulting member or firm satisfies the indebtedness due and provides proof of such satisfaction to the ~~President~~ CEO ~~staff~~, the ordered sale of the membership and associated Class B Share shall be cancelled. If full payment is not made within the 30-day period, then the membership and Class B Share involved shall be sold at public auction within 10 days after the expiration of the 30-day period and upon five days' notice to the defaulting member or firm, which notice shall also be publicly posted at the Exchange on the bulletin board. The public auction sale shall be conducted by the ~~President~~ CEO ~~staff~~ in accordance with the following procedures. The highest bid to purchase a membership and associated Class B Share in the applicable division series on file with the Shareholder Relations and Membership Services Department ~~Department~~ shall be considered the initial bid at the auction. Thereafter, any person may attend and bid at the auction. If the proceeds from the sale are less than the indebtedness of the defaulting member or firm, such debtor shall remain liable to the Exchange or its members or clearing members for the deficit.

(Next Rule 135)

134. **[RESERVED]**

135. **GEM DIVISION**⁴

135.A. **Trading Privileges of GEM Members**

A GEM member shall have access to the trading floor to trade and fill orders in all products assigned to the GEM Division and all products available pursuant to Rule 194 hereinafter collectively referred to as GEM accessible products. GEM members may not while on the floor of the Exchange enter orders for products of other Divisions except for bona fide spread transactions involving GEM accessible products ~~products within the GEM Division~~. GEM members may not solicit business from the floor of the Exchange except for business in ~~products traded in the GEM Division~~ GEM accessible products and bona fide spreads involving such products. The time during which a GEM membership is held will not be counted as satisfaction of the holding period necessary to permit lessees to become order fillers in the CME, IMM, or IOM Divisions unless the holder can demonstrate that he ~~he~~ was primarily engaged in active trading or order filling in the ~~GEM Division~~ GEM accessible products during that holding period. Lessees of CME, IMM, IOM and full GEM memberships in all divisions may fill orders in GEM accessible products ~~Division products~~ without regard to such holding period.

¹ Revised July 1984; November 2000.

² Revised July 1984; March 1990; November 2000.

³ Revised September 1982; July 1984; January 1986; May 1990; November 2000; November 2001; August 2002.

⁴ Adopted August 1995; Revised November 2000; November 2001.

001 MEMBERSHIP

135.B. Restriction on Trading Floor Access¹

After January 7, 1998, any person who relinquishes trading privileges as a CME, IMM or IOM member may not exercise trading floor privileges as a GEM member for two years after relinquishing such privileges in another division. This restriction shall not apply to a person who relinquishes trading privileges that were obtained pursuant to a Rule 106.C. family transfer; provided, however, that such person does not cease to hold or own a GEM membership that was obtained prior to or during the time that such person held the higher division membership pursuant to Rule 106.C. This restriction does not prevent any person who has floor access privileges as a GEM member as of January 7, 1998, from continuing to exercise those privileges. Exchange staff may grant exemptions from this restriction upon a showing of financial hardship.

~~If an individual is originally approved for membership in the GEM division, a GEM member is elected to membership in a higher division, he or she may on one occasion, which must be within one year from the date he or she was approved or transferred elected to the higher division membership, return to a GEM membership without being subject to the restriction on trading floor access of this rule.~~

Firms are permitted to transfer memberships among firm employees. However, a firm employee previously holding a CME, IMM or IOM membership owned by the firm may not exercise trading floor privileges as a GEM member for two years after relinquishing membership privileges in another division if ~~he or she~~ remains employed by such firm and, during that time, the firm sells or leases the CME, IMM or IOM membership formerly held by such employee.

(Next Rule 13940)

136.— 138. [RESERVED]

139. SERIAL MONTH LIVE CATTLE PERMIT PROGRAM²

139.A. Number of Permits

The Exchange shall authorize and issue as many Serial Month Live Cattle Permits as necessary to meet the demand for the Program.

139.B. Eligibility and Approval

An applicant for a Serial Month Live Cattle Permit must meet all conditions for and be a member of the Exchange. The Permit holder shall be subject to the rules of the Exchange and must be qualified by a CME clearing member. The foregoing qualifications must be met at all times that an individual holds a Permit.

139.C. Term of Permits

A Serial Month Live Cattle Permit shall be valid for a period of one year, beginning with the date of issuance to the Permit holder. Serial Month Live Cattle Permits may be renewed or terminated at any time with the approval of the Board of Directors.

139.D. Cost of Permits

Serial Month Live Cattle Permits will be offered at a price of \$1,000 per year with payments to be remitted at the start of each quarter.

139.E. Serial Month Live Cattle Permit Holder Privileges

A Serial Month Live Cattle Permit holder may trade and broker in the Live Cattle serial months until the Program or Permit termination date.

Permit holders participating in the Serial Month Live Cattle Permit Program may enter orders either on or off the trading floor for specified futures in even month Live Cattle contracts as part of a spread transaction with the serial (odd) month Live Cattle futures contracts where either leg of the spread may be executed first.

In addition to existing trading privileges currently provided for the membership held, a Serial Month Live Cattle Permit holder may trade or enter orders while on the trading floor only in Live Cattle serial (odd) and even month futures contracts.

139.F. Additional Limitations on Serial Month Live Cattle Permit Holders

1. A Serial Month Live Cattle Permit conveys no equity to the holder at expiration.
2. A Serial Month Live Cattle Permit does not entitle the holder to voting privileges, or attendance at member social functions.

139.G. Jurisdiction

The Serial Month Live Cattle Permit Program shall be under the jurisdiction of Exchange staff.

139.H. Non-Compliance

¹ Revised March 2004.

² Effective March 2003.

001 MEMBERSHIP

4. Serial Month Live Cattle Permit holders are subject to all rules and regulations of the Exchange that apply to members, except as described herein.
- ~~2. Disciplinary action taken against Serial Month Live Cattle Permit holders for non-compliance with this Program or for violations of any Exchange rules shall be in accordance with the applicable rules of the Exchange.~~

140. AGRICULTURAL BUSINESS SOLICITATION PERMIT PROGRAM ¹

140.A. Number of Permits

The Exchange shall authorize and issue 50 Permits for Agricultural Solicitation (PASs). PASs that have been revoked, withdrawn, or abandoned may be reissued. If applicants for PASs exceed available PASs, Exchange staff may allocate PASs among applicants based on an applicant's commitment to develop agricultural business at the Exchange.

140.B. Eligibility and Approval ²

An application for a PAS must meet all conditions for and be approved for membership on the Exchange. Upon approval for membership, the PAS holder shall be subject to the rules of the Exchange. An applicant for a PAS must be an Associated Person registered with the NFA and be an employee of a CME clearing member. The foregoing qualifications must be met at all times.

140.C. Term of Permits

PASs shall be valid for a period of three years, beginning with the date of issuance to the PAS holder. PASs may be renewed with the approval of the Board of Directors.

140.D. Cost of Permits

PASs will be offered at a price of \$250 per month with payments to be remitted quarterly. Accordingly, a PAS holder shall pay \$750 at the start of each quarter.

140.E. PAS Privileges ³

PAS holders shall have access to the trading floor to solicit customer business for agricultural products. While on the floor, PAS holders shall not solicit business for other products and shall not be compensated for processing any customer orders to trade other products. A PAS holder may continue to receive a salary from the CME clearing member that employs the PAS holder.

1. A PAS's customers shall be carried directly on the books of an Exchange clearing member.
2. A PAS holder shall be supervised by a member present on the floor.
3. PAS holders shall be required to make a continuing bona fide effort to solicit customer business.

140.F. Additional Limitations of PAS Holders

1. A PAS conveys no equity to the holder at expiration.
2. A PAS does not entitle the holder to voting privileges or attendance at members' social functions. ⁴
3. A PAS holder shall have no minimum net capital requirement.
4. A PAS holder shall not be eligible to do floor brokerage or to trade any futures or options contracts on the Exchange for his own account.

140.G. Jurisdiction ⁵

Exchange staff shall have the greatest latitude in determining whether permit holders have complied with the rules of the program. In the event that Exchange staff determines that a PAS holder has failed to comply with the rules of this program, it shall have the authority to suspend floor privileges and to revoke the permit. In no event, however, shall a permit holder be entitled to the return of any portion of the cost of the permit.

141. CURRENCY BUSINESS SOLICITATION PERMIT PROGRAM ⁶

141.A. Number of Permits

¹ Adopted February 1995; Revised November 2000.

² Revised August 1995.

³ Adopted February 1995; Revised November 2000.

⁴ Revised June 1995.

⁵ Revised November 2000

⁶ Effective May 1998; Revised November 2000; October 2001.

001 MEMBERSHIP

The Exchange shall authorize and issue 50 Currency Business Solicitation Permits (CBSPs). CBSPs that have been revoked, withdrawn, or abandoned may be reissued. If applicants for CBSPs exceed available CBSPs, Exchange staff may allocate CBSPs among applicants based on an applicant's commitment to develop currency business at the Exchange.

141.B. Eligibility and Approval¹

An application for a CBSP must meet all conditions for and be approved for membership on the Exchange. Upon approval for membership, the CBSP holder shall be subject to the rules of the Exchange. An applicant for a CBSP must become an Associated Person, registered with the NFA, and be an employee of a CME clearing member, or a guaranteed introducing broker (IB) of a clearing member. The foregoing qualifications must be met at all times. In addition, a CBSP holder must complete the required CME training program and demonstrate competency in areas of:

- CME Currency Product & Underlying Cash Market Knowledge, and
- Sales & Marketing Techniques

A CBSP holder shall be required to complete continuing education courses offered by the Exchange throughout the term of the CBSP. Such programs are to be defined by the Exchange staff who are responsible for the supervision of the program.

141.C. Term of Permits

CBSPs shall be valid for a period of 3 years, beginning with the date of issuance to the CBSP holder. CBSPs may be renewed with the approval of the Board of Directors for a term not to exceed 2 additional years.

141.D. Cost of Permits

CBSPs will be offered at an initial cost of \$1,500, which covers: (1) membership application processing, (2) membership orientation, and (3) educational classes. In addition, a CBSP holder shall pay \$500 each year for the entire term that the CBSP holder is in the program.

141.E. CBSP Privileges

CBSP holders shall have access to the trading floor to solicit customer business for currency products and may, at the discretion of the sponsoring clearing member, receive commissions on customer business generated for currency products. While on the trading floor, CBSP holders shall not solicit business for other products and shall not be compensated for processing any customer orders to trade other products. A CBSP holder may continue to receive a salary from the CME clearing member that employs the CBSP holder.

1. A CBSP's customers shall be carried directly on the books of an Exchange clearing member.
2. A CBSP holder shall be supervised by a member present on the trading floor.
3. CBSP holders shall be required to make a continuing bona fide effort to solicit customer business.

141.F. Additional Limitations on CBSP Holders

1. A CBSP conveys no equity to the holder at expiration.
2. A CBSP does not entitle the holder to voting privileges or attendance at members' social functions.
3. A CBSP holder shall have no minimum net capital requirement.
4. A CBSP holder shall not be eligible to receive floor brokerage or to trade any futures or options contracts on the Exchange for his or her own account or an account which the CBSP holder controls.
5. A CBSP holder shall not be allowed to execute exchange for physical (EFP), Exchange Basis Facility (EBF) or block transactions.
6. Any person who relinquishes trading privileges as a CME, IMM, IOM or GEM member may not exercise trading floor privileges as a CBSP holder for two years after relinquishing such privileges in another division.

141.G. Jurisdiction²

A CBSP holder shall be subject to continuing supervision by his or her clearing member. Both the clearing member and Exchange staff shall review the CBSP holder's success in soliciting customer business in currency products. Both the clearing member and Exchange staff reserve the right to revoke the CBSP, if it is determined that the CBSP holder has failed to comply with requirements of the program. A CBSP holder shall not be entitled to the return of any portion of the cost of the permit, except in the case where a clearing member determines within 60 days of the start of the program that the CBSP holder has not demonstrated adequate dedication to the

¹ Revised November 2000

² Revised November 2000

001 MEMBERSHIP

program and removes the CBSP holder from the program.

(Next Rule 146)

~~142.—145.~~ [RESERVED]

146. IPC LIMITED ACCESS LICENSE PROGRAM¹

146.A. Number of Licenses

The Exchange shall authorize and may issue 33 IPC Limited Access Licenses (Licenses).

146.B. Eligibility

Licenses will only be available to institutions that were Bolsa Mexicana de Valores (BMV) members as of January 1, 1996. Licenses may be registered in the name of the BMV member or in the name of its Mexican-domiciled bank affiliate or its non-U.S. domiciled broker-dealer subsidiary (Licensee). Licensees must nominate an individual officer, director or employee to apply and qualify to hold a License pursuant to the Exchange's standard membership application process (License Holder). Licenses are non-transferable without prior written consent from the Exchange.

146.C. Term of Licenses

Each License will remain in effect for so long as the IPC License Agreement between the BMV and the Exchange is in effect, provided that the Licensee remains in good standing with the Exchange. However, if any eligible BMV member ceases to be a member of the BMV, then the License granted to that BMV member, regardless of whether the License was registered in the name of the BMV member or in the name of its Mexican-domiciled bank affiliate or its non-U.S. domiciled broker-dealer subsidiary, will terminate as of the date such BMV membership privileges cease.

146.D. Dues and Payment of Fees

Licensees must pay annual dues and membership application fees.

146.E. Specific Trading Privileges

Licensees may, through their License Holders, solicit, trade and execute orders in IPC futures and options as follows:

1. The License Holder may use trading floor telephones to solicit orders for IPC futures and options from: (a) proprietary traders of the Licensee; and (b) non-U.S. customers of the Licensee; provided that, with respect to (a) above, all such proprietary orders must originate from the principal Mexican office or a Mexican branch office of the Licensee and, with respect to (b) above, all such customers must be existing customers of the principal Mexican office or a Mexican branch office of the Licensee, prior to the first solicitation by the Licensee's License Holder. The License Holders may execute orders solicited in accordance with this paragraph.
2. The License Holder may trade with discretion and execute orders in IPC futures and options for the proprietary account of the Licensee, provided that any such orders must originate from the principal Mexican office or a Mexican branch office of the Licensee.

146.F. Trading and Other Limitations

1. The License Holder may not trade for his or her own account and may not facilitate the placement of orders in other contracts. The Licensee may employ one or more clerks to assist the License Holder in performing his or her responsibilities; however, the Licensee may not employ phone clerks or permit such employees to use telephones.
2. A License conveys no equity to the holder at expiration.
3. A License does not entitle the Licensee to License Holder to exercise voting privileges or attend member social functions.

146.G. Jurisdiction²

The IPC Limited Access Program shall be under the jurisdiction of Exchange staff.

146.H. Non-Compliance

Licensees and their License Holders and floor clerks, are subject to all rules of the Exchange that apply to members, as well as the Commodity Exchange Act and CFTC regulations.

(Next Rule 1502)

¹ Adopted April 1996.

² Revised November 2000

001 MEMBERSHIP

1471.— 149152. [RESERVED]

~~150. CROSS-EXCHANGE TRADING PRIVILEGES¹~~

~~150.A. Applicants for Cross-Exchange Privileges²~~

~~Individual members and clearing members that are eligible, pursuant to Rule 583, for cross-exchange trading privileges may submit an application to the Membership Department. Each such application will be submitted to Exchange staff for approval.~~

~~An application rejected by Exchange staff may, within 10 days of notification of rejection, request reconsideration before the Membership Committee based upon new or additional information or evidence, and shall require an affirmative vote of a majority of all the present and voting members of the Committee. Any rejection after reconsideration shall be final. The Board shall be notified of the actions of the Membership Committee.~~

~~150.B. Termination of Cross-Exchange Privileges³~~

~~Any applicant found by Exchange staff to have failed to make full disclosure or to have made false statements in the application may be subject to termination of cross-exchange privileges.~~

~~The cross-exchange trading privileges of an individual or firm shall automatically terminate if that individual or firm is no longer eligible for GLOBEX terminals pursuant to the rules of his or its participating exchange or if such individual or firm does not satisfy the requirements in Rule 583.~~

~~151. ELECTRONIC TRADING HOURS (ETH) PERMIT PROGRAM⁴~~

~~151.A. Number of Trading Permits~~

~~The Exchange shall authorize and issue ETH Permits to eligible individuals and firms. The number issued shall be determined by the Board. ETH Permits that have been revoked, withdrawn, or abandoned may be reissued.~~

~~151.B. Eligibility⁵~~

- ~~1. ETH Permits for individuals will be available to applicants who are identified to the Exchange upon submitting a completed application form, application fee and written guarantee by a clearing member firm.~~
- ~~2. An ETH Permit may be acquired by a non-member firm provided that an officer or principal of the firm is identified to the Exchange pursuant to paragraph B.1. above. Until further notice, commodity trading advisors and firms that are approved market makers in weather derivative contracts are the only firms that will be eligible to obtain an ETH Permit under this program.~~

~~151.C. Term of Permits⁶~~

~~ETH Permits are non-transferable and shall be valid for one year, subject to early termination if CME futures and options are no longer listed for trading through the GLOBEX Trading System. An ETH Permit may be renewed if the ETH Permit holder is in good standing.~~

~~151.D. Cost of ETH Permits~~

~~ETH Permits will be offered for a fee determined by the Board.~~

~~151.E. Specific Trading Privileges~~

~~ETH Permit holders shall be eligible for GLOBEX terminals for entry of orders in CME futures and options contracts for the account of the Permit holder. In addition, ETH Permit holders that are commodity trading advisors may enter orders on GLOBEX Terminals for the accounts that they manage. ETH Permit holders shall not be entitled to exercise trading privileges on the trading floor.~~

~~151.F. Additional Limitations on ETH Permit Holders⁷~~

- ~~1. An ETH Permit conveys no equity to the holder.~~
- ~~2. An ETH Permit does not entitle the holder to voting privileges or attendance at members' social functions.~~
- ~~3. An ETH Permit holder must present a clearing member firm guarantee at the time of application and must lease a GLOBEX terminal. An ETH Permit holder may withdraw from the program at any time. However, such withdrawal shall have no effect on any obligation with respect to the terminal lease.~~

~~151.G. Jurisdiction⁸~~

¹ Adopted June 1992; Revised November 2000.

² Revised November 2000

³ Revised November 2000

⁴ Adopted February 1995. Revised June 1995; July 1996; November 2000.

⁵ Revised April 199; July 1996; May 1999; April 2000.

⁶ Revised April 1996.

⁷ Revised September 1998; May 2000.

⁸ Revised November 2000

001 MEMBERSHIP

~~Exchange staff shall have the greatest latitude in determining whether ETH Permit holders have complied with the rules of the program. In the event that Exchange staff determine that an ETH Permit holder has failed to comply with the rules of this program, it shall have the authority to suspend GLOBEX trading privileges and to revoke the ETH Permit.~~

~~151.H. Non-Compliance~~

- ~~1. ETH Permit holders are subject to all rules and regulations of the Exchange that apply to members, except as otherwise provided in this Rule 151.~~
- ~~2. Disciplinary action taken against ETH Permit holders for non-compliance with this program or for violations of any Exchange rules shall be in accordance with the applicable rules of the Exchange.~~
- ~~3. All employees of the ETH Permit holder who enter orders on GLOBEX terminals must be identified to the Exchange as GLOBEX terminal operators in accordance with Rule 576 and shall be subject to all rules of the Exchange that relate to GLOBEX trading.~~

~~(Next Rule 194)~~

152. GLOBEX OPEN ACCESS LEARNING (GOAL) PERMIT PROGRAM ¹

152.A. Number of Trading Permits

The Exchange shall authorize and issue GOAL Permits to eligible individuals. The number issued shall not exceed 300. GOAL Permits that have been revoked, withdrawn, or abandoned may be reissued.

152.B. Eligibility

GOAL Permits for individuals will be available to applicants who are approved by the Exchange after submitting a completed application form, application fee and written guarantee by a clearing member firm.

152.C. Term of Permits

GOAL Permits are non-transferable and shall be valid for one year, subject to early termination if the permit holder fails to meet the requirements of the program, or the permit holder violates CME rules. A GOAL Permit may be renewed if the GOAL Permit holder is in good standing.

152.D. Cost of GOAL Permits

GOAL Permits will be offered for a monthly fee of \$150.

152.E. Specific Trading Privileges

GOAL Permit holders shall be entitled to exercise electronic trading privileges for their own account ~~on the CME trading floor during non-RTH hours.~~

152.F. Additional Limitations on GOAL Permit Holders

1. A GOAL Permit conveys no equity to the holder and the GOAL Permit Holder may not transfer the GOAL permit.
2. A GOAL Permit does not entitle the Permit Holder to voting privileges or attendance at members' social functions.
3. A GOAL Permit holder must present a clearing member firm guarantee at the time of application. A GOAL Permit holder may withdraw from the program at any time.
4. A GOAL Permit holder will not be permitted to employ others on the trading floor.
5. A GOAL Permit holder must disclose all accounts in which he or she has an interest to CME. A GOAL Permit holder may not have an interest in, or exercise control over, accounts at a firm other than his or her qualifying clearing firm.
6. Any person who relinquishes trading privileges as a CME, IMM, IOM, or GEM member may not exercise trading floor privileges as a GOAL Permit Holder for a two year period after relinquishing such privileges. Exchange staff may grant exemptions from this restriction upon a showing of financial hardship.
7. If a GOAL Permit holder has other employment on the CME trading floor during the RTH session, he or she will be subject to all restrictions on trading floor employees, except that GOAL Permit Holders will be allowed to have an interest in a trading account while holding that floor employment, and the GOAL Permit Holder's qualifying clearing firm may enter orders for liquidation of an open position established during the night session in the GOAL Permit holder's account. Outside of the time period provided for in Rule 152.E, GOAL permit holders may not, under any circumstances, trade or enter orders for their own accounts, or

¹ Adopted August 2003.

001 MEMBERSHIP

accounts in which they have a financial interest or trading control. Violation of this rule may be a major offense.

8. While on the CME trading floor, GOAL Permit holders must be engaged in trading Exchange products. Failure to comply with this provision may result in the revocation of the GOAL Permit.

152.G. Jurisdiction

Exchange staff shall have the greatest latitude in determining whether GOAL Permit holders have complied with the rules of the program. In the event that Exchange staff determines that a GOAL Permit holder has failed to comply with the rules of this program, it shall have the authority to suspend GLOBEX trading privileges and to revoke the GOAL permit.

152.H. Non-Compliance

1. GOAL Permit holders are subject to all rules and regulations of the Exchange that apply to members, except as otherwise provided in this Rule 152.
2. Disciplinary action taken against GOAL Permit holders for non-compliance with this program or for violations of any Exchange rules shall be in accordance with the applicable rules of the Exchange.
3. All GOAL Permit holders who enter orders on GLOBEX terminals must be identified to the Exchange as GLOBEX terminal operators in accordance with Rule 576 and shall be subject to all rules of the Exchange that relate to GLOBEX trading.

153.— 193. [RESERVED]

194. NEW PRODUCT ACCESS PROGRAM¹

194.A. General

The New Product Access Program ("Program") is intended to increase for a limited time the number of individuals eligible to trade new products by allowing participating members in all divisions to trade, broker and solicit customer business in such products from the trading floor.

Every product listed for trading by the Exchange after the effective date of this Program will be regarded as a "new product" covered by this Program unless the Board of Directors determines that such product should not be covered by this Program. A new product that merely modifies or replaces an existing product will not be covered by this Program. The Board may also, at its discretion, allow participating members to have access to certain existing products under the terms of this Program.

194.B. Trading Privileges and Restrictions

Participating members are entitled to trade and solicit customer business in a new product until that product's Initial Termination Date. The "Initial Termination Date" for a new product shall be the later of (1) two years after the date that trading in such product starts or (2) the first day of the month after volume of trading for that product (futures and options combined) averaged at least 1,000 contracts per day in CTI-4 non-member trades for a 90-day period.

Notwithstanding the previous paragraph, the Board of Directors may grant exceptions to this rule.

Members participating in the Program may enter orders for specified futures or options in other divisions as part of a spread with a new product position. The new product leg of the spread must be executed simultaneously with or before the other leg.

194.C. Brokerage Privileges and Restrictions

Participating members are entitled to broker a new product until the earlier of (1) the Initial Termination Date for such product or (2) three months after the volume of trading for such product (futures and options combined) averaged at least 1,000 contracts per day in CTI-4 non-member trades for a 90-day period. Thereafter, a member must hold trading privileges in the division to which the product has been assigned in order to act as a broker in such product.

Notwithstanding the previous paragraph, the Board of Directors may grant exceptions to this rule.

194.D. Jurisdiction

The Program shall be under the jurisdiction of the Exchange staff.

194.E. Extension of Program for Contributing Members

A participating member who meets any one of the following criteria with respect to a new product will be deemed to have contributed to the success of such product:

1. A trader whose trading volume in such product is in the top 50 percent of all traders trading such product.

¹ Effective February 1998; September 1998; Revised November 2000; November 2001; April 2004.

001 MEMBERSHIP

2. A trader whose trading regularity, measured by the number of brackets in which he he has traded such product, is in the top 50 percent of all traders trading such product.
3. A broker whose volume of new product contracts filled is in the top 50 percent of all brokers who filled such product.
4. A solicitor whose volume of new product contracts executed based on the orders he he or she generated is in the top 75 percent of all members who solicited customer business in such product from the trading floor.

Each participating member who has contributed to the success of a new product as described above will be permitted to continue to trade or solicit customer business (but not broker) in such new product for an additional three years or such longer period as the Membership Committee may determine.

194.F. Clearing Fees ¹

Participating members will pay lessee clearing fee rates for trading and brokering new products.

194.G. Purchase Incentive

~~During the term of the Program, the Exchange shall place into an Exchange account the difference between the clearing fees paid by members (including members leasing memberships in the division to which the product was assigned) participating in the Program for their new product transactions (including any lessee brokerage fees) and the clearing fees that such members would have paid at the equity member rate (such difference being hereafter referred to as "differential clearing fees"). If a participating member is deemed to have contributed to the success of a new product under the criteria in Section E. of this rule as measured at the end of the first two years that such contracts were traded or any time thereafter, such member can apply his or her differential clearing fees accrued with respect to the new product toward the purchase of a membership and associated Class B Share in the division to which the product was assigned or in a higher division. If a member who applies differential clearing fees toward the purchase of a membership and associated Class B Share then sells such membership and associated Class B Share within five years of the date of purchase, he or she shall repay to the Exchange the full amount of the differential clearing fees that had been applied toward the purchase. The obligation to repay the differential clearing fee may be waived by Exchange staff in cases of death, poor health or financial hardship.~~

194.GH. Termination of Program

~~The Exchange may terminate the Program at any time. Upon termination of the Program, participating members who met the criteria set forth in Section E. of this rule may continue to have access to new products for the remaining time specified in that section. The Exchange shall not accrue any further differential clearing fees on behalf of participants upon termination of the Program. However, participating members who met the criteria set forth in Section E. can use previously accrued differential clearing fees toward the purchase of a membership and associated Class B Share as provided in Section G. if such Class B Share is purchased within one year after the date when the program was terminated. All differential clearing fees that are not applied toward the purchase of a membership and associated Class B Share within that time will belong to the Exchange.~~

~~195. EURO FX AND EURO FX CROSS-RATES TRADING PERMIT PROGRAM ¹Reserved~~

~~195.A. Number of Trading Permits~~

~~The Exchange shall authorize and issue up to 15 Euro FX and Euro FX Cross-Rates Trading Permits ("Euro FX TPs" or "TPs"). Euro FX TPs that have been revoked, withdrawn, or abandoned may be reissued. The Exchange is not required to issue all available permits.~~

~~195.B. Eligibility ²~~

~~Euro FX TPs shall be available to all members (except those relinquishing trading privileges as a CME, IMM, IOM, or GEM member after Thursday, April 1, 1999) and the general public, subject to the approval of Exchange staff. The eligibility and procedural requirements for Euro FX TP applicants shall be identical with the requirements for an Exchange membership applicant.~~

~~195.C. Term of Permits ⁴~~

~~Euro FX TPs shall be valid through Friday, June 30, 2000, except that any Euro FX TP applied for on or before Friday, June 30, 2000, shall be valid for six months from the membership approval date. Euro FX TPs are not renewable.~~

~~195.D. Cost of Permits~~

~~Euro FX TPs shall be offered at a price of \$1,500, payable on application, which shall represent a non-refundable application fee (except in the case of a Euro FX TP request denial by the Financial Instruments Oversight Subcommittee). Proceeds from permit sales shall be paid to the Exchange. Each Euro FX TP holder shall be~~

¹ Revised November 2003.

² Effective April 1999. Revised January 2000.

³ Revised November 2000

⁴ Revised June 2000.

001 MEMBERSHIP

entitled to a rebate of \$.50 for each Euro FX or Euro FX Cross Rate futures or options contract executed for the first 3,000 such contracts. Such rebate shall be made in the form of a credit for the subsequent quarter, except that payment of any rebate due from the final quarter of the program shall be made to the Euro FX TP holder following the termination of that quarter.

195.E. Specific Trading Privileges and Responsibilities

1. Euro FX TP holders shall be entitled to exercise trading privileges in Euro FX and/or Euro FX Cross Rate futures and options contracts for his or her own account or a proprietary account over which the holder has complete discretion and an acceptable proprietary interest.
2. A Euro FX holder must trade a combined average of 1,000 pit and/or GLOBEX@2-traded Euro FX and/or Euro FX Cross Rate futures and/or options contracts per month to remain in the program.
3. A Euro FX TP holder must be present in the Euro FX and/or Euro FX Cross Rate futures and/or options pits for at least 70% of each Regular Trading Hours (RTH) session on a regular basis.
4. A Euro FX TP holder shall pay lessee clearing rates for pit trades. A Euro FX TP holder trading on GLOBEX@2 shall have an Electronic Trading Hours (ETH) permit or access under Rule 574.C. and pay non-member clearing rates for GLOBEX@2 trades. A GEM or IOM member who pre-registers with the Exchange his or her intention to meet all the Euro FX TP holder requirements defined in this rule shall pay lessee clearing rates for pit trades and GLOBEX@2 trades.⁴

195.F. Additional Limitations on Euro FX TP Holders²

1. A Euro FX TP conveys no equity to the holder at expiration.
2. A Euro FX TP does not entitle the holder to voting privileges, or attendance at member social functions.
3. A Euro FX TP holder may not trade or enter orders in Exchange contracts other than Euro FX and/or Euro FX Cross Rate futures and options contracts while on the trading floor.
4. Any person who relinquishes trading privileges as a CME, IMM, IOM, or GEM member after Thursday, April 1, 1999, may not exercise trading floor privileges as a Euro FX TP holder.

195.G. Jurisdiction³

Exchange staff shall have the greatest latitude in determining whether permit holders have complied with the rules of the program. Exchange staff shall receive input from the Euro FX and Euro FX Cross Rate futures and options Pit Committees and CME Marketing Division staff. In the event that Exchange staff determine that a Euro FX TP holder has failed to comply with the rules of this program, it shall have the authority to suspend floor and trading privileges and to revoke the permit. Exchange staff may allow the permit holder to withdraw from the program, upon petition, for good cause shown. In no event, however, shall a permit holder be entitled to the return of any portion of the cost of the permit.

195.H. Non-Compliance

1. Euro FX TP holders are subject to all rules and regulations of the Exchange that apply to members, except as described herein.
2. Disciplinary action taken against Euro FX TP holders for non-compliance with this program or for violations of any Exchange rules shall be in accordance with the applicable rules of the Exchange.

(End Chapter 1)

¹ Revised August 1999.

² Revised May 2000.

³ Revised November 2000

001 MEMBERSHIP

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 1

RULE 110

(Monthly Executive Report, May 1977)

~~The membership should be aware that Rule 110 precludes authorization for the Exchange to repay debts incurred between members. This is true even if payment was made to help the member meet obligations on our Exchange. It should therefore be noted that distribution of assets determined by Exchange staff shall be final and binding on all parties.¹~~

RULE 120

(Special Executive Report S-1815, June 5, 1987)

~~On June 3, 1987, the Board of Directors reaffirmed that all IOM members have a personal trading privilege in the gold futures contract. This personal (not broker) trading privilege was granted to IOM members as a result of a referendum held by our membership to decide this issue on November 17, 1982.~~

¹ Revised November 2000

001 MEMBERSHIP

INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

(CME Update 96-7, March 25, 1996. Revised June 1997, July 1997, November 2000, November 2001, March 2003, January 2004.)

Rule 135.A. provides that GEM members may not while on the floor of the Exchange enter orders for products of other Divisions except for bona fide spread transactions involving products within the GEM Division and that GEM members may not solicit business from the floor of the Exchange except for business in products traded in the GEM Division and bona fide spread involving such products.

The only allowable spreads involving non-GEM products that GEM members may enter into or solicit while on the trading floor are listed below:

GSCI	with	Live Cattle and Lean Hogs
Russell 2000	with	S&P 500, S&P Mid-Cap
S&P/Barra Growth and Value 1	with	S&P 500, S&P Mid-Cap
Live Cattle Serial (Odd) Months	with	Live Cattle Even Months*
CME\$INDEX™	with	Euro FX, Japanese yen, British pound, Swiss franc, Australian dollar, Canadian dollar, Swedish krona
E-Mini NASDAQ Composite	with	E-Mini NASDAQ-100, E-Mini S&P 500, E-Mini S&P MidCap 400, E-Mini Russell 2000, S&P SmallCap 600, Russell 1000, Financial SPCTR, Technology SPCTR.
CPI	with	Eurodollar
Yen Denominated Nikkei 225	with	Dollar Denominated Nikkei 225

*Provided the GEM member also maintains a Serial Month Live Cattle Permit.

When such ~~spread~~ spreads are executed on a legged basis, the GEM leg of the spread must always precede the non-GEM leg with the exception of the Live Cattle Serial Months/Live Cattle Even Months spread where either leg may be executed first. Please note that these restrictions do not apply to spreads in which all of the component parts are GEM products.

¹ S&P/Barra Growth & Value contracts are not assigned to the GEM Division, but GEM members are allowed to trade such contracts, for their own accounts only, until December 31, 2000.