360 TRADING NETWORKS INC.

RULEBOOK

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CHAPTER 1. DEFINITIONS

Rule 101. General

Unless the context otherwise requires, the terms defined in this Rule have the meanings specified below for all purposes under the Rules:

"Affiliate" means, with respect to any Person, any Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

"Appeal Panel" means the panel appointed in accordance with Rule 715 to consider an appeal from an order of a Disciplinary Panel pursuant to Rule 713 or a notice of summary action imposed pursuant to Rule 717 and to affirm, modify or reverse all or any portion of such order or notice.

"Appeal Panel Member" means an individual who is appointed to, and serves as, a member of an Appeal Panel.

"Applicable Law" means, with respect to any Person, any statute, or any rule, regulation, or ordinance of any Government Agency, Derivatives Clearing Organization or Self-Regulatory Organization, in any case applicable to such Person.

"Audit Trail" has the meaning given that term in Rule 520(b).

"Authorized Trader" means a Person (not an individual) who is authorized by a Participant to access the Trading System pursuant to Rule 304.

"Authorized User" means an individual who is employed by or is an agent of a Participant, an Authorized Trader or a Clearing Firm and who has been authorized to access the Trading System pursuant to Rule 305. When used in reference to a Participant, "Authorized User" means and includes (i) such Participant's Authorized Users and (ii) employees and agents of the Participant's Authorized Traders who have been designated by the Authorized Trader as Authorized Users.

"Block trade" means a publicly reportable swap transaction that:

(1) Involves a swap that is listed on a registered Swap Execution Facility;

(2) Occurs away from the Company's trading system and is executed pursuant to Chapter 6 of the Rules;

(3) Has a notional or principal amount at or above the appropriate minimum block size applicable to such swap; and

(4) Is reported subject to the Rules, including the appropriate time delay requirements set forth in Section 43.5 of CFTC Regulation.

"Board" means the Board of Directors of the Company.

"Business Day" means a day on which the Company is open for trading.

"CEA" means the Commodity Exchange Act.

"CFTC" means the Commodity Futures Trading Commission.

"CFTC Regulations" means the rules, regulations and orders promulgated by the CFTC.

"Chairman" means the chairman of the Board.

"Chief Compliance Officer" means the individual appointed by the Board as the Company's chief compliance officer.

"Chief Executive Officer" means the individual appointed by the Board as the Company's chief executive officer.

"Clearing Firm" means a Person, whether or not a Participant, that has been approved as a member or participant in one or more Derivatives Clearing Organizations and that is authorized pursuant to the rules of such a Derivatives Clearing Organization to clear Swaps for customers.

"Committee" means a committee established by the Board.

"Company" means 360 Trading Networks Inc., or any successor thereto.

"Company Official" means any Director or Officer of, or individual employed directly by, the Company, or any individual rendering similar services to the Company under an administrative or similar agreement.

"Company Proceeding" means any Disciplinary Proceeding, appeal from a Disciplinary Proceeding, summary suspension, or other summary action taken pursuant to Rule 716 or Rule 717.

"Company Requirements" means (i) the Rules, (ii) other requirements implemented by the Company under the Rules, (iii) each term of a Swap, and (iv) the Participant Documentation and other contractual obligations between a Participant (including its Authorized Traders and Authorized Users) and the Company.

"Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. The terms "Controlling" or "Controlled" shall have meanings correlative to the foregoing.

"Covered Person" has the meaning given that term in Rule 902(b).

"CTI" has the meaning given that term in Rule 520(c).

"Customer" means an Eligible Contract Participant that has authorized a Participant or Authorized Trader to cause transactions in Swaps to be made for its account on the Trading System.

"Customer Order" means, with respect to a Participant or Authorized Trader, an Order or Request for Quote that has been provided to such Participant or Authorized Trader, as applicable, by or on behalf of a Customer.

"Derivatives Clearing Organization" has the meaning given that term in section 1a(9) of the CEA and, as used in these Rules, means a Derivatives Clearing Organization that is registered or exempt from registration as such with the CFTC and that is engaged in the clearing of one or more Swaps.

"Designated Representative" means an individual, designated by a Participant or an Authorized Trader pursuant to Rule 310, with authority to act on behalf of such Participant or Authorized Trader, as applicable.

"Director" means any member of the Board.

"Disciplinary Panel" means the panel appointed pursuant to Rule 710 to conduct hearings in connection with Disciplinary Proceedings (other than summary impositions of fines pursuant to Rule 716), to make findings, render decisions, and impose sanctions pursuant to Chapter 7 of the Rules.

"Disciplinary Panel Member" means an individual who is appointed to, and serves as, a member of a Disciplinary Panel.

"Disciplinary Proceeding" means any inquiry, investigation, disciplinary proceeding, summary imposition of fines, summary suspension or other summary action conducted pursuant to Chapter 7 of the Rules.

"Eligible Contract Participant" has the meaning given that term in section 1a(18) of the CEA and CFTC Regulations.

"Emergency" means any occurrences or circumstance which, in the opinion of the Board, the Chairman or the Chief Executive Officer, requires immediate action, and which threatens, or may threaten, the fair and orderly trading in, or the settlement or integrity of, any Swap, including the following:

(1) any circumstance that may materially affect the performance of a Swap, including failure of the clearing system of a Derivatives Clearing Organization;

(2) any action taken by any United States or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, any agency, department, instrumentality, or sub-division thereof; or other Person exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; any Derivatives Clearing Organization, board of trade or other exchange (foreign or domestic) that, in any such case, may have a direct and adverse impact on trading on the Trading System or the settlement, legality or enforceability of any Swap;

(3) any actual, attempted or threatened corner, squeeze, congestion, manipulative activity or undue concentration of positions in a Swap;

(4) any circumstance that may have a severe, adverse effect upon the functions and facilities of the Company, including acts of God, fire, flood or other natural disasters, bomb threats, acts of terrorism or war, severely inclement weather, or failure or malfunction of all or a portion of the Trading System, or other system breakdowns or interruptions such as power, computer, communication or transportation systems or the Internet;

(5) the Insolvency of any Clearing Firm or the imposition of any injunction or other restraint by any Government Agency, Derivatives Clearing Organization, court or arbitrator upon a Clearing Firm which may affect the ability of a Clearing Firm to trade in or perform its obligations on a Swap; or

(6) any circumstance in which it appears that: (i) a Person has failed to perform on a Swap; (ii) a Participant or Authorized Trader is Insolvent or is in a financial or operational condition or is conducting business such that the Participant or Authorized Trader cannot be permitted to continue in business without jeopardizing the safety or integrity of other Participants, Authorized Traders or the Company; or (iii) any other unusual, unforeseeable or adverse circumstance as determined by the Company.

"Governing Documents" means the Company's Articles of Incorporation and Bylaws, as amended and restated or otherwise modified from time to time.

"Government Agency" means the CFTC and any other governmental agency or department that regulates the activities of the Company, a Participant, an Authorized Trader or Authorized User, as applicable.

"Independent Software Vendor" or "ISV" means a Person that makes available to Participants and Authorized Traders a system or platform offering smart order routing, front-end trading applications, an aggregation platform or a combination of the foregoing but that does not provide Participants or Authorized Traders with the ability to effect transactions other than through the Trading System.

"Insolvent" and "Insolvency" means the occurrence of any of the following events with respect to a Person:

(1) the Person is determined to be insolvent by a Government Agency or Self-Regulatory Organization;

(2) if the Person is a member of the Securities Investor Protection Corporation, a court of competent jurisdiction finds that the Person meets any one of the conditions set forth in clauses (A), (B), (C) or (D) of Section 5(b)(1) of the Securities Investor Protection Act of 1970;

(3) in the event of the entry or the making of a decree or order by a court, Government Agency or other supervisory authority of competent jurisdiction (i)

adjudging the Person as bankrupt or insolvent; (ii) approving as properly filed a petition seeking reorganization, arrangement, liquidation, dissolution, adjustment or composition of or in respect of the Person under the Bankruptcy Code or any other applicable federal, state or other U.S. or non-U.S. law, including any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law; (iii) appointing a receiver, custodian, liquidator, provisional liquidator, administrator, provisional administrator, assignee, trustee, sequestrator or other similar official for the Person or for any substantial part of its property; (iv) ordering the winding up or liquidation of the Person's affairs; or (v) consenting to the institution by the Person of proceedings to be adjudicated as a bankrupt or insolvent; or

(4) the filing by the Person of a petition, or any case or proceeding, seeking reorganization or relief under the Bankruptcy Code or any other applicable federal, state or other U.S. or non-U.S. law, including any bankruptcy, Insolvency, reorganization, liquidation, dissolution or similar law, or the consent by the Person to the filing of any such petition, case or proceeding or to the appointment of a receiver, custodian, liquidator, provisional liquidator, administrator, provisional administrator, assignee, trustee, sequestrator or other similar official for the Person or for any substantial part of its property, or the making by the Person of an assignment for the benefit of its creditors, or the admission by the Person in writing of its inability to pay its debts generally as they become due, or the taking of corporate or similar action by the Person in furtherance of the foregoing.

"Interested Person" has the meaning given that term in Rule 206(a).

"Investigation Report" has the meaning given that term in Rule 703.

"Loss" means any losses, damages, costs or expenses (including attorneys' fees) whether direct, indirect, special, incidental, consequential, punitive or otherwise of any kind, including any loss of revenue, loss of actual or anticipated profits, loss of contracts, loss of the use of money, loss of anticipated savings, loss of business, loss of opportunity, loss of goodwill, loss of reputation or loss of, damage to or corruption of data.

"Market Data" means:

(1) all data and other information submitted for entry into the Trading System or relating in any way to a Swap, including the time at which such data or information was submitted to or generated by the Trading System;

(2) any data or other information contained in, derived from or related to any of the foregoing, including the format, compilation and presentation thereof; and

(3) any data or information transmitted, published or disseminated by the Company to Participants, Authorized Traders, Authorized Users or any publisher of such data or information with whom the Company has a written agreement relating thereto.

"Market Regulation Department" means all Company Officials and agents of the Company (including the Regulatory Services Provider) that assist the Company in the implementation, surveillance and enforcement of the Rules and other Company Requirements.

"NFA" means the National Futures Association.

"No-Bust Range" has the meaning given in Rule 526(h). ~~Rule 526(g).~~

"Nominating Committee" means the Committee of the Board constituted pursuant to Rule 204.

"Officer" has the meaning given that term in Rule 202.

"Order" means either a bid or an offer for a Swap on the Trading System (including bids and offers submitted in response to an Auction), and includes any modification to or cancellation of such a bid or offer, but does not include a Request for Quote or a response thereto.

"Participant" means a Person that has been authorized by the Company to have access to the Trading System pursuant to Rule 303 and to permit Authorized Traders and Authorized Users to have access to the Trading System pursuant to Rule 304 and Rule 305.

"Participant Committee" means the committee of the Board constituted pursuant to Rule 204.

"Participant Documentation" means the agreements (together with any applicable schedules, exhibits or appendices thereto) that are required to be executed and delivered to the Company before a Person may have access to the Trading System.

"Permitted Transaction" means a transaction involving a Swap that is not subject to the trade execution requirements set forth in Section 2(h)(8) of the CEA.

"Person" means an individual, sole proprietorship, partnership, limited liability company, association, firm, trust, corporation or other entity, as the context may require.

"Prime Broker" means a Participant that provides prime brokerage services for Swaps and that has authorized an Authorized Trader to access the Trading System on its behalf in connection with Prime Broker Transactions.

"Prime Broker Transaction" means a transaction in an uncleared Swap where one counterparty is a Prime Broker and the other counterparty is a Participant whom the Prime Broker has authorized to act as such in connection with such transaction.

"Proprietary Information" has the meaning given that term in Rule 903.

"Public Director" means an individual having the qualifications set forth in Rule 201(d).

"Public Member" has the meaning given that term in Rule 710(b).

"Regulatory Oversight Committee" means the committee of the Board constituted pursuant to Rule 204.

"Regulatory Services Provider" means the NFA and such other organizations, if any, that provide regulatory services to the Company, in each case, together with those certain employees and agents of any such organization that provide regulatory services to the Company.

"Reportable Swap Data" means the data required to be reported under Parts 43 and 45 of CFTC Regulations.

"Reporting Counterparty" means, for purposes of Part 45 of CFTC Regulations, the Participant or Authorized Trader that is designated as such pursuant to Rule 528(b).

"Request for Quote" and "RFQ" have the meaning given those terms in Rule 524(b)and, unless the context otherwise requires, include both requests for quotes pursuant to Rule 524(b) and responses to any such requests.

"Required Transaction" means any transaction involving a Swap that is subject to the trade execution mandate under section 2(h)(8) of the CEA.

"Review Panel" means the panel, if any, appointed pursuant to Rule 710 to review a completed Investigation Report and to determine whether a reasonable basis exists for finding a violation of the Rules and authorizing the issuance of a notice of charge pursuant to Rule 706.

"Review Panel Member" means an individual who is appointed to, and serves as, a member of a Review Panel.

"Rule" or "Rules" means these Rules.

"Self-Regulatory Organization" has the meaning given that term in CFTC Regulation 1.3(ee) and in section 3(a)(26) of the Securities Exchange Act of 1934.

"Summary Proceeding" means a Disciplinary Proceeding conducted pursuant to Rule 717 or Rule 718.

"Swap" has the meaning given that term in section 1a(47) of the CEA and the rules and regulations promulgated thereunder.

"Swap Data Repository" has the meaning given that term in section 1a(48) of the CEA and, as used in these Rules, means a swap data repository that is registered or exempt from registration as such with the CFTC.

"Termination Event" means, as to a Participant, the occurrence of any of the following:

(1) the expiration or termination of any of the clearing agreements between the Participant and each of its Clearing Firms;

(2) a representation or warranty made by the Participant to the Company under or in connection with any agreement between the Company and the Participant shall be false or misleading in any material respect as of the date on which made or repeated;

(3) the Participant does not meet the requirements set forth in Rule 302; or

(4) the breach by the Participant or any of its Authorized Traders or Authorized Users of the Rules, the Company Requirements, or any of the terms or provisions of any agreement between the Company and the Participant.

"Trading Hours" means, for any Business Day, the hours during which the Trading System is scheduled to operate.

"Trading Privileges" means the right, granted to a Participant, Authorized Trader or an Authorized User to transmit Orders and originate and/or respond to Requests for Quotes through the Trading System.

"Trading System" means the Company's electronic trade execution system that is used for the trading of Swaps, including the associated hardware, software, systems and communications links.

"User ID" means the unique identifier that is assigned by the Company to each Authorized User and to each automated trading system employed by a Participant or Authorized Trader and, in the case of such an automated trading system, linked to the User ID that is assigned to a single Authorized User.

Rule 102. Rules of Construction

In the Rules, unless the context otherwise requires: (i) headings are for convenience only and do not affect the construction of the Rules; (ii) words in the singular include the plural and words in the plural include the singular; (iii) references to the Rules and to a particular Rule are to the Rules and such Rule as they may be amended, amended and restated or otherwise modified from time to time; (iv) references to statutory provisions include those provisions, and any rules or regulations promulgated thereunder, as they may be amended, amended and restated or otherwise modified from time to time; (v) any reference to a time means the time in New York City; and (vi) all uses of the word "including" are to be construed to mean "including, but not limited to."

CHAPTER 2. GOVERNANCE

Rule 201. Board

(a) The Board shall have overall responsibility for the business and affairs of the Company. The Board has the power and authority to call for the review of, and to affirm, modify, suspend or overrule, any and all decisions and actions of any Committee or Officer of the Company.

(b) The Board may act by the decision of a majority of the Directors present and voting at a meeting, by unanimous written consent without a meeting, or as otherwise set forth in the Governing Documents.

(c) The Company shall have the number or percentage of Public Directors required under any relevant CFTC governance rules not later than the applicable compliance date of such rules. Each Director (including Public Directors) shall be appointed in accordance with the Governing Documents, and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.

(d) To qualify as a Public Director, an individual must be found, by action of the Board, to have no material relationship with the Company. The Board shall make such finding upon the nomination or appointment of the Public Director and as often as necessary in light of all circumstances relevant to such Public Director, but in no case less frequently than annually. For these purposes, a "material relationship" is one that could reasonably be expected to affect the independent judgment or decision-making of the Director. A Director shall be deemed to have a "material relationship" with the Company if any of the following circumstances exist or have existed within the past year:

(1) such Director is or was an Officer or an employee of the Company, or a director, officer or employee of an Affiliate of the Company;

(2) such Director is or was a Participant, or a director, officer or employee of a Participant;

(3) such Director is or was an officer of another entity, which entity has a compensation committee (or similar body) on which any Officer of the Company serves;

(4) such Director, or an entity of which the Director is a partner, officer, employee or director, receives or has received more than $100,000 in combined annual payments for legal, accounting or consulting services from the Company or the Company's Affiliates, any Participant or Affiliate of such Participant. Compensation for services as a Director of the Company or as a director of an Affiliate thereof does not count toward the $100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a Director, so long as such compensation is in no way contingent, conditioned, or revocable; or

(5) in the case of a Public Director that is a member of the Regulatory Oversight Committee or the Participant Committee, such Public Director accepts or has accepted,

directly or indirectly, any consulting, advisory or other compensatory fee from the Company, any of the Company's Affiliates, any Participant or any Affiliate of such Participant, other than deferred compensation for services rendered prior to becoming a member of the Regulatory Oversight Committee or the Participant Committee, provided that such compensation is in no way contingent, conditioned, or revocable. This Rule 201(d)(5) does not apply to compensation received in the Public Director's capacity as a member of the Board, the Regulatory Oversight Committee; Participant Committee or any other Committee or as a member of the board of directors or similar governing body of an Affiliate of the Company.

(6) any of the relationships set forth in Rule 201(d)(1) through Rule 201(d)(5) apply to the "immediate family" (i.e., the spouse, parents, children, and siblings, in each case, whether by blood, marriage, or adoption) of such Director, or any person residing in the home of the Director or that of his or her "immediate family."

Rule 202. Officers

(a) The Board shall appoint a Chief Executive Officer, a Chief Compliance Officer, and such other officers of the Company (all of the foregoing, collectively, the "Officers") as it may deem necessary or appropriate from time to time, in accordance with the Governing Documents.

(b) Any Officer may also be a director or employee of the Company or a director, officer or employee of any of its Affiliates.

(c) The Officers shall have such powers and duties in the management of the Company as the Board may prescribe from time to time.

Rule 203. Qualifications of Directors, Officers, Committee Members, Disciplinary Panel Members, Review Panel Members and Appeal Panel Members

(a) No Person may serve as a Director or Officer, or serve on a Committee, a Disciplinary Panel, Review Panel or an Appeal Panel, if such Person:

(1) within the prior three (3) years has been found, by a final decision in any action or proceeding brought in or by a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization or any clearing organization, to have committed a disciplinary offense;

(2) within the prior three (3) years has entered into a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged, included a disciplinary offense;

(3) is currently suspended from trading on any contract market or swap execution facility, is suspended or expelled from membership in a Self-Regulatory Organization or Derivatives Clearing Organization, is serving any sentence or probation, or owes any portion of a fine or penalty related to either:

(i) a finding of a disciplinary offense by a final decision in any action or proceeding brought in or by a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization or any clearing organization; or

(ii) a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;

(4) is currently subject to an agreement with the CFTC or a Self-Regulatory Organization or a clearing organization not to apply for registration with the CFTC or for membership or participant status in a Self-Regulatory Organization or clearing organization;

(5) is currently, or within the past three (3) years has been, subject to a revocation or suspension of registration by the CFTC or has been convicted of a felony listed in sections 8a(2)(D)(i) through (iv) of the CEA;

(6) is currently subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration panel or governing board of any "Self-Regulatory Organization," as that term is defined in section 3(a)(26) of the Securities Exchange Act of 1934, as amended; or

(7) is subject to a statutory disqualification pursuant to Section 8a(2) or 8a(3) of the CEA.

(b) Any Director, Officer, member of a Committee, Review Panel, Disciplinary Panel or Appeal Panel, any individual nominated to serve in any such role, or any individual authorized by the Company to take summary action shall immediately notify the Chief Compliance Officer if such individual meets one or more of the criteria in Rule 203(a).

(c) For purposes of Rule 203(a), the terms "clearing organization," "disciplinary offense," "final decision," and "settlement agreement" have the meanings given those terms in CFTC Regulation 1.63(a).

Rule 204. Standing Committees

(a) The Board shall initially have three (3) standing Committees: the Nominating Committee, the Participant Committee, and the Regulatory Oversight Committee.

(b) Each member of such Committees must be a Director, one of whom the Board shall designate as the chairperson of such Committee. A temporary member of any such Committee may be appointed, using the same process required for regular appointments to a Committee, during the absence or inability to act of a regular member, and such temporary appointee shall have all the rights, power, authority, duties and obligations of the regular Committee member until the latter is again present and able to act.

(c) Each standing Committee shall assist in the supervision, management and Control of the affairs of the Company within its particular area of responsibility, subject to the authority of the Board.

(d) Subject to the authority of the Board, each standing Committee shall determine the manner and form in which its proceedings shall be conducted. Each standing Committee may act only by the decision of a majority of the members of such Committee present and voting at a meeting or by unanimous written consent without a meeting. The Board has the authority to overrule the decisions of a standing Committee.

(e) If the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee or the Participant Committee, the Company shall submit a written report to the CFTC detailing: (i) the recommendation of or action proposed to be taken by the Regulatory Oversight Committee or the Participant Committee; (ii) the rationale for such recommendation or action; (iii) the rationale of the Board for rejecting such recommendation or superseding such action; and (iv) the course of action that the Board decided to take contrary to such recommendation or action.

Rule 205. Additional Committees

(a) In addition to the standing Committees of the Board, the Board may from time to time constitute and appoint Committees and designate their composition, responsibilities and powers. The members of such Committees may be Directors, Participants, Authorized Traders, Authorized Users or such other individuals as may be qualified to serve on such Committee. The Board shall designate the chairperson of each such additional Committee.

(b) Each such additional Committee shall assist the Board in the management and control of the affairs of the Company within its particular area of responsibility.

(c) Subject to the authority of the Board, each such Committee shall determine the manner and form in which its proceedings shall be conducted. Each such Committee may act only by the decision of a majority of the members of such Committee present and voting at a meeting or by unanimous written consent without a meeting.

Rule 206. Conflicts of Interest

(a) A Director, Officer, member of any Committee, Review Panel Member, Disciplinary Panel Member or Appeal Panel Member who, in respect of a Company Proceeding or an Emergency, is subject to a "material conflict of interest" between his or her position as a Director, Officer, member of a Committee, Review Panel Member, Disciplinary Panel Member or Appeal Panel Member and his or her personal interests (any such Director, Officer, member of any Committee, Review Panel Member, Disciplinary Panel Member or Appeal Panel Member, an "Interested Person") may not participate in deliberations or votes of the Board, a Committee, Review Panel, Disciplinary Panel or Appeal Panel in respect of such Company Proceeding or an Emergency, or otherwise exercise any authority with respect to such Company Proceeding or Emergency that involves his or her personal interest, except as described in Rule 206(d).

(b) For purposes of Rule 206(a), a "material conflict of interest" in respect of a Company Proceeding or an Emergency means a Director, Officer, member of a Committee, Review Panel Member, Disciplinary Panel Member or Appeal Panel Member:

(1) being named as a respondent or potential respondent in such Company Proceeding;

(2) being an employer, employee, fellow employee or an Affiliate of a respondent or potential respondent in such Company Proceeding;

(3) having any significant, ongoing business relationship with a respondent or potential respondent in such Company Proceeding;

(4) having a family relationship with a respondent or potential respondent in such Company Proceeding (including the individual's spouse, cohabitator, former spouse, parent, step-parent, child, step-child, sibling, step-brother, step-sister, grandparent, grandchild, uncle, aunt, nephew, niece, father-in-law, mother-in-law, brother-in-law or sister-in-law);

(5) having a direct and substantial financial interest in the result of the deliberations or vote based upon trades or positions that could reasonably be expected to be affected by such Company Proceeding or Emergency. A direct and substantial financial interest includes (but is not limited to) trades and positions in accounts of, controlled by, or affiliated with the Interested Person or in any other types of direct and substantial financial positions of the Interested Person that could reasonably be expected to be affected by such deliberations or vote; and/or

(6) any other circumstance that gives rise to a conflict between the exercise of authority by the Director, Officer, member of any Committee, Review Panel Member, Disciplinary Panel Member or Appeal Panel Member concerning such Company Proceeding or Emergency and his or her personal interests.

(c) Before considering a Company Proceeding or Emergency, an Interested Person must disclose in writing to the Chief Compliance Officer the material facts concerning his or her relationship or interest therein.

(d) An Interested Person who would be required otherwise to abstain from deliberations and voting pursuant to Rule 206(a) as a result of having a direct and substantial financial interest in the result of the deliberations and vote within the meaning of Rule 206(b)(5) may participate in deliberations, prior to a vote on the Company Proceeding or Emergency, if:

(1) the material facts about the Interested Person's financial interest in the matter are disclosed or known to the Board, Committee, Review Panel, Disciplinary Panel or Appeal Panel (as applicable);

(2) the Board, Committee, Review Panel, Disciplinary Panel or Appeal Panel determines that the participation by the Interested Person would be consistent with the public interest and the interests of the Company; and

(3) a majority of the members of the Board, Committee, Review Panel, Disciplinary Panel or Appeal Panel (as applicable), excluding any Interested Persons,

vote to allow the Interested Person to participate in deliberations on the Company Proceeding or Emergency.

(e) If a determination is made pursuant to Rule 206(d) that an Interested Person may participate in deliberations prior to a vote, the minutes of the meeting of the Board, Committee, Disciplinary Panel or Appeal Panel will reflect the fact thereof and the reasons therefor.

(f) If a determination is made that all Committee members, Review Panel Members, Disciplinary Panel Members or Appeal Panel Members are Interested Persons with respect to a matter relating to a Company Proceeding or Emergency that is subject to a vote by such Committee, such Disciplinary Panel or the Appeal Panel (as applicable), the Board shall be authorized to appoint a panel of individuals who are not Interested Persons with respect to such matter. This panel shall have the same authority and powers over such matter that the Committee, Review Panel, Disciplinary Panel or Appeal Panel (as applicable) would have if the Committee members, Review Panel Members, Disciplinary Panel Members or Appeal Panel Members were not Interested Persons with respect to such matter. The Board shall have the same power to appoint individuals who are not Interested Persons, if necessary, to permit a Committee, Review Panel, Disciplinary Panel or Appeal Panel to satisfy quorum requirements.

Rule 207. Maintenance of Books and Records by the Company

(a) The Company shall keep, or cause to be kept, all books and records required to be maintained pursuant to the CEA and CFTC Regulations for at least five (5) years, and shall make such books and records readily accessible for inspection by the CFTC and the United States Department of Justice during the first two (2) years of such five-year period.

(b) The Company may disclose to any Government Agency, Self-Regulatory Organization or other Person information concerning or associated with a Participant or other Person that the Company believes is necessary and appropriate in exercising a legal or regulatory function, whether or not a formal arrangement governing the disclosure exists or a request for information was made.

CHAPTER 3. TRADING SYSTEM

Rule 301. Access to the Trading System

(a) A Participant will be granted Trading Privileges if it has been authorized by the Company pursuant to Rule 303.

(b) A Participant shall designate at least one (1) of its employees, agents or authorized contractors as an Authorized User and may designate other employees, agents and authorized contractors who are individuals as Authorized Users pursuant to Rule 305. Authorized Users may access and use the Trading System on behalf of such Participant and, to the extent permitted by Applicable Law, on behalf of such Participant's Customers or the Customers of Authorized Traders.

(c) A Participant may designate one or more Customers, investment managers or other third parties that are not individuals as Authorized Traders pursuant to Rule 304. An Authorized Trader will be given access to the Trading System and shall designate at least one (1) of its employees as an Authorized User and may designate its employees, agents and authorized contractors as Authorized Users pursuant to Rule 305. Authorized Users may access and use the Trading System on behalf of such Authorized Trader and, to the extent permitted by Applicable Law, Customers of the Authorized Trader.

(d) A Participant may be held accountable by the Company for the actions and omissions of its Authorized Traders and its and their Authorized Users.

(e) An Independent Software Vendor will be granted access to the Company if it has been authorized by the Company pursuant to Rule 306.

Rule 302. Participant Eligibility Requirements

(a) To be eligible for admission as a Participant, an applicant must demonstrate to the satisfaction of the Company that it:

(1) is an Eligible Contract Participant**;**

(2) has all registrations, licenses and consents required by its constituent documents and by Applicable Law to trade Swaps on the Trading System and is not subject to any trading ban, prohibition or suspension issued by the CFTC or by any Self-Regulatory Organization that is subject to the CFTC's oversight, including the NFA;

(3) with respect to Swaps that are to be cleared by a Derivatives Clearing Organization, is (i) a member of a Derivatives Clearing Organization and is authorized to clear Swaps for its own account and, if applicable, for the account(s) of other Persons or (ii) party to an agreement with at least one Clearing Firm, which Clearing Firm has agreed to accept Swaps for clearing into the account of such Participant and, if applicable, other Persons acting through such Participant.

(4) is of good reputation and business integrity, maintains adequate financial resources and credit, and satisfies such other criteria as the Company may establish from time to time.

(b) Once admitted, a Participant shall continue to comply with all applicable eligibility criteria in Rule 302(a) and shall provide the Company with such information in relation thereto as the Company may require.

(c) Each Participant shall immediately notify the Company in writing if it ceases to meet any of the requirements of Rule 302(a) above .

Rule 303. Participant Application Procedure

(a) A Person that desires to become a Participant shall:

(1) complete and submit the Participant Documentation;

(2) provide such information and documentation as may be requested by the Company, and comply with the procedures established by the Company for admission;

(3) distribute the Rules to its Authorized Traders and Authorized Users or cause the Rules to be so distributed; and

(4) if such Person is organized or established under the laws of a country other than the United States:

(i) maintain a presence in the United States, either directly or through a suitable agent, whose personnel are fluent in English, are knowledgeable about the applicant's business, and can assist representatives of the Company as necessary;

(ii) represent and certify to the Company that it is in compliance with the registration or authorization requirements of its home country, that it is regulated in its home country by a financial regulatory authority with respect to the maintenance of relevant books and records, that it is subject to regular inspections and examinations by such home country regulator;

(iii) make such other representations as the Company deems necessary; and

(iv) upon request by the Company, submit an opinion of outside counsel on home country law and, if applicable, other relevant non-domestic law, in form and substance acceptable to the Company.

(b) The Company may require additional information from an applicant and may conduct an investigation to verify information submitted by the applicant.

(c) If the Company decides to admit an applicant as a Participant, it shall promptly notify the applicant in writing. Admission as a Participant does not confer any right of ownership in, right to attend or vote at meetings of, or right to share in the profits of, the Company or ownership of any of the Company's Market Data, software supporting the Trading System and other intellectual property.

(d) The Company may deny or condition an application for admission as a Participant:

(1) if the applicant is unable to satisfactorily demonstrate its ability to satisfy the eligibility criteria to become or remain a Participant;

(2) if the applicant is unable to satisfactorily demonstrate its capacity to adhere to the Rules and Applicable Law;

(3) for such other cause as the Company may reasonably determine.

(e) If the Company decides to deny or condition an application for admission as a Participant, the Company shall promptly notify the applicant in writing, setting forth the reasons for the denial or conditioning of Participant status. The applicant may, within fourteen (14) days of the date of such notice, request in writing that the Participant Committee reconsider that determination. The Participant Committee may request additional information from the applicant or establish any other process that it believes is necessary and appropriate to consider the request for reconsideration. Unless extended with the consent of the applicant, the Participant Committee shall confirm, reverse or modify the denial or conditioning of the application within thirty (30) days of receiving the request for reconsideration or such longer period as may be agreed by the applicant. The Participant Committee shall promptly notify the applicant of its decision in writing. The decision of the Participant Committee shall be final and not subject to appeal.

Rule 304. Authorized Traders

(a) A Participant may grant permission to one or more Authorized Traders to enter Orders, originate and respond to Requests for Quotes, and otherwise access the Trading System in accordance with the criteria and procedures established by the Company.

(b) By agreeing to act as an Authorized Trader, such Person agrees to be bound by the duties and responsibilities of an Authorized Trader, and to be subject to, and comply with, the Rules.

(c) An Authorized Trader must at all times:

(1) be an Eligible Contract Participant;

(2) if applicable, be in compliance with CFTC Regulation 1.17;

(3) be organized in, located in and access the Trading System, and permit its Authorized Users to access the Trading System, solely from within the United States or a jurisdiction in which the Company is permitted by Applicable Law to offer the Trading System;

(4) ensure that activity conducted under the User IDs assigned to it and its Authorized Users complies with the Rules;

(5) have the authority, at the Company's request, to adjust or withdraw any Order or Request for Quote submitted under such User IDs;

(6) have and maintain all necessary regulatory approvals and/or licenses to operate as an Authorized Trader and not be subject to any trading ban, prohibition or suspension issued by the CFTC or by any Self-Regulatory Organization that is subject to CFTC oversight, including the NFA; and

(7) agree to such other terms and conditions as may be established by the Company from time to time.

(d) The Company will promptly notify a Participant in writing of its approval, or refusal to approve, the designation of an Authorized Trader. The Company may, in its sole discretion, revoke or suspend the designation of an Authorized Trader, and shall promptly notify the Participant of such action in accordance with procedures established by the Company.

(e) Each Authorized Trader shall immediately notify the Company in writing if it ceases to meet any of the requirements of Rule 304(c). Participant shall notify the Company in writing if it becomes aware that any of its Authorized Traders ceases to meet any of the requirements of Rule 304(c).

(f) A Participant that seeks to terminate the designation of an Authorized Trader shall notify the Company in writing, providing such information as the Company may require. The Company shall terminate the Trading Privileges of such Authorized Trader and its Authorized Users in accordance with procedures established by the Company.

Rule 305. Authorized Users

(a) A Participant, an Authorized Trader or a Clearing Firm shall designate one or more Authorized Users in accordance with the criteria and procedures established by the Company. Each Authorized User shall be identified to the Company, in the manner prescribed by the Company, and shall be subject to the Rules. Any Authorized User designated by a Clearing Firm shall only be permitted to access and use administrative, credit control functionality on the Trading System and shall have no Trading Privileges.

(b) By agreeing to act as an Authorized User, an individual agrees to be bound by the duties and responsibilities of an Authorized User and to be subject to, and comply with, the Rules.

(c) Each Authorized User must have and use a unique User ID to access the Trading System. It shall be the responsibility of an Authorized User and its sponsoring Participant, its sponsoring Authorized Trader or its sponsoring Clearing Firm, as applicable, to ensure that each such User ID is registered with the Company, and that such registration is accurate at all times. In no event may a Person other than the Authorized User to whom a User ID has been assigned exercise Trading Privileges or otherwise access the Trading System using such User ID.

(d) An Authorized User must at all times:

(1) ensure that activity conducted under the User ID assigned to such Authorized User, or any automated trading system for which the User ID is linked to such Authorized User, complies with Applicable Law and the Rules;

(2) if such Authorized User was designated by a Participant or an Authorized Trader, have the authority, at the Company's request, to adjust or withdraw any Order or Request for Quote submitted to the Trading System under any User ID assigned or linked to such Authorized User;

(3) cooperate promptly and fully with the Company in any investigation, inquiry, audit, examination or proceeding regarding compliance with the Rules of the Company or any disciplinary or arbitration proceeding arising thereunder;

(4) have and maintain all necessary regulatory approvals and/or licenses to act as an Authorized User; and

(5) agree to such other terms and conditions as may be established by the Company from time to time.

(e) The Company will promptly notify, in writing, the Participant, the Authorized Trader or the Clearing Firm, as applicable of its approval, or refusal to approve, the designation of an Authorized User. The Company may, in its sole discretion, revoke or suspend the designation of an individual as an Authorized User, and shall promptly notify the Participant, the Authorized Trader or the Clearing Firm of such action.

(f) Each Authorized User shall immediately notify the Company in writing if it ceases to meet any of the requirements of Rule 305(d). A Participant, Authorized Trader or Clearing Firm, as applicable, shall notify the Company in writing if it becomes aware that any of its Authorized Users ceases to meet any of the requirements of Rule 305(d).

(g) A Participant, Authorized Trader or Clearing Firm that seeks to terminate the designation of an individual as an Authorized User shall notify the Company in writing in accordance with procedures established by the Company. The Company shall act to terminate such Authorized User's Trading Privileges or other use of and access to the Trading System in accordance with procedures established by the Company.

Rule 306. Independent Software Vendors

A Person seeking to act as an ISV must satisfy the Company's technological integrity requirements and not adversely affect the Company's ability to comply with the CEA and CFTC Regulations.

Rule 307. Limitations on Access to the Trading System

(a) The Company may at any time revoke, suspend, limit, restrict or qualify a Participant's Trading Privileges, and those of its Authorized Traders and its and their Authorized Users, in accordance with the procedures set forth in Chapter 7.

(b) Subject to the terms of any agreement between a Participant and a Clearing Firm, the Clearing Firm may at any time revoke the authorization of the Participant to submit Swaps to a Derivatives Clearing Organization for clearing by such Clearing Firm. Any such revocation shall become effective as soon as practicable after the receipt of written notice thereof by the Company or at such later date as may be specified in the written notice from the Clearing Firm, at which time the Trading Privileges of the Participant, its Authorized Traders and its Authorized Users with respect to the Swaps that are cleared for such Participant or its Authorized Traders or its or their respective Customers by that Clearing Firm shall be terminated, unless, prior to such termination such Participant has designated, in the form and in a manner satisfactory to the Company, another Clearing Firm to clear such Swaps.

Rule 308. Notices and Other Communications

The Company shall publish on the Company's website each addition to or modification of the Rules in accordance with CFTC Regulations. Any such publication shall be deemed to have been made to all Participants, Authorized Traders and Authorized Users. Other communications from the Company may be transmitted by electronic mail and/or posted on the Company's website, and a Participant shall be responsible for conveying such communications or causing such communications to be conveyed, as appropriate, to its Authorized Traders and Authorized Users.

Rule 309. Designated Representatives

(a) Each Participant shall designate in writing one or more Designated Representatives who are authorized to represent the Participant before the Company and its committees and receive notices on behalf of the Participant and its Authorized Users. The Company shall be entitled to rely on the actions of the Designated Representative as binding on the Participant and its Authorized Users. Each Participant must provide the Company with the telephone number, mailing and electronic mail address of its Designated Representatives and shall promptly update this information by written notice whenever it changes.

(b) Each Authorized Trader shall designate in writing one or more Designated Representatives who are authorized to represent the Authorized Trader before the Company and its committees and receive notices on behalf of the Authorized Trader and its Authorized Users. The Company shall be entitled to rely on the actions of the Designated Representative as binding on the Authorized Trader and its Authorized Users. Each Authorized Trader must provide the Company with the telephone number, mailing and electronic mail address of its Designated Representatives and shall promptly update this information by written notice whenever it changes.

Rule 310. Application of Rules; Jurisdiction of the Company

(a) By becoming a Participant, Authorized Trader or Authorized User, as applicable, and without any need for any further action, undertaking or agreement, such Participant, Authorized Trader or Authorized User agrees:

(1) to be bound by, and comply with the Rules, Company Requirements and Applicable Law, in each case to the extent applicable to it;

(2) to be bound by the acts and omissions of its Authorized Traders and/or Authorized Users, as applicable, and to be subject to the jurisdiction of the Company with respect to all matters arising from or related to the acts or omissions of such Persons;

(3) to assist the Company in complying with the Company's legal and regulatory obligations and to cooperate with the Company in any inquiry, investigation, audit, examination or proceeding; and

(4) to authorize the Company to provide information regarding such Participant, Authorized Trader or Authorized User as provided in Rule 207(b).

(b) A Participant, Authorized Trader or Authorized User whose Trading Privileges and/or ability to otherwise access the Trading System are suspended, revoked or terminated shall remain bound by the Rules, Company Requirements and Applicable Law, in each case to the extent applicable to it, her or him, and subject to the jurisdiction of the Company with respect to all matters arising prior to and during the period of any such suspension or prior to any such revocation or termination.

(c) Each Customer agrees that it is subject to the jurisdiction of the Company with respect to all matters arising from or related to the transactions effect by or on behalf of Customer on the Trading System.

(d) Each Clearing Firm that guarantees swaps intended to be cleared on the Company agrees that is it subject to the jurisdiction of the Company.

Rule 311. Withdrawal of Participant

(a) To withdraw from the Company, a Participant must notify the Company in accordance with procedures established by the Company for such purpose.

(b) Effective upon the date that the Company accepts the withdrawal of a Participant, all rights and privileges of such Participant, its Authorized Traders and its and their Authorized Users shall terminate (including such Participant's Trading Privileges and ability to access the Trading System). The withdrawal of a Participant shall not affect the rights of the Company under the Rules or relieve the former Participant of its obligation under the terms of any Swap entered into or otherwise arising under the Rules before the effective date of such withdrawal. A Participant that has withdrawn remains subject to the Rules, the Company Requirements and the jurisdiction of the Company for acts done and omissions made while a Participant, and must

cooperate in any Proceeding under Chapter 7 as if the withdrawn Participant were still a Participant.

Rule 312. Dues and Fees

Each Participant, Authorized Trader and ISV shall pay when due all dues and fees as may be established by the Company and published on the Company's website or otherwise agreed between the Company and such Participant, Authorized Trader or ISV. The Company may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Participant or an Authorized Trader and the ability of a Participant, Authorized Trader or ISV to otherwise access the Trading System if such Participant, Authorized Trader or ISV fails to pay such amounts when due. The provisions of Chapter 7 (other than Rule 716) shall not apply to any such suspension, revocation, limitation, condition, restriction or qualification.

Rule 313. Business Days and Trading Hours

Except as detailed in Rule 912 relating to Emergencies, the Company shall provide notice of the Business Days of the Company and the Trading Hours applicable for each Swap. The Company shall provide such notice pursuant to Rule 308.

CHAPTER 4. BUSINESS CONDUCT

Rule 401. Duties and Responsibilities of Participants and Authorized Traders

(a) Each Participant and Authorized Trader shall, and shall cause its Authorized Users to:

(1) use the Company's Trading System in a responsible manner and not for any improper purpose;

(2) use the Company's Trading System only to conduct business that is subject to the Rules and in a manner consistent with the Rules and Company Requirements;

(3) comply with the Rules and Company Requirements and act in a manner consistent with the Rules and Company Requirements;

(4) comply with the rules of a Derivatives Clearing Organization that accepts for clearing a Swap traded by the Participant, Authorized Trader or Authorized User on the Trading System, to the extent applicable to such Participant, Authorized Trader or Authorized User and such Swap;

(5) observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade while conducting or seeking to conduct any business connected with or concerning the Company;

(6) not knowingly mislead or conceal any material fact or matter in any dealings or filings with the Company or in connection with a Company Proceeding;

(7) keep all User IDs, account numbers and passwords related to the Company's Trading System confidential; and

(8) keep, or cause to be kept, complete and accurate books and records relating to its use of the Company as required by Applicable Law, including records of their activity in the index or instrument used as a reference price, the underlying instrument and related derivatives markets with respect to Swaps, and make such books and records available for inspection by a representative of the Company or the Regulatory Services Provider and otherwise as required by Applicable Law. Such records are to be made available, upon request, to the CFTC.

(b) In addition to the requirements of Rule 401(a), each Participant shall be responsible for all Orders, RFQs and transactions effected on the Trading System by or for the account of such Participant, its Authorized Traders and Authorized Users or by any Person using its or their User IDs unless: (i) the Participant has directed the Company to deactivate such User ID and the Company has had a reasonable opportunity to act upon such direction, (ii) the unauthorized use of a User ID is due to the gross negligence or willful misconduct of the Company; or (iii) the transactions effected through the use of such User ID exceed the limits that the Company has agreed to establish with respect to such transactions.

(c) Each Participant and Authorized Trader that is registered, or required to be registered, with the CFTC as a swap dealer or a major swap participant is responsible for compliance with the mandatory trading requirement of Section 2(h)(8) of the CEA when such Participant or Authorized Trader enters into, or facilitates entry into, a Swap that is required to be cleared pursuant to Section 2(h)(2)(D) of the CEA and CFTC Regulation 39.5.

Rule 402. Required Notices

(a) Each Participant, Authorized Trader or ISV, to the extent applicable, shall immediately notify the Company upon becoming aware of any of the following events:

(1) any material changes to the information provided to the Company by the Participant pursuant to Rule 302, Rule 303, Rule 304, Rule 306 or Rule 309;

(2) any refusal of admission to any Self-Regulatory Organization, or withdrawal of an application for membership or participant status in a Self-Regulatory Organization, by the Participant or any of its Authorized Traders;

(3) any expulsion, suspension or fine in excess of $25,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Participant, Authorized Trader or ISV or any of their Authorized Users by any Self-Regulatory Organization;

(4) any denial or withdrawal of an application for registration or license with respect to the Participant, Authorized Trader or any of their Authorized Users by or from any Government Agency, and any revocation, suspension or conditioning of a registration or license granted by any Government Agency to the Participant, Authorized Trader or ISV or any of their Authorized Users;

(5) the commencement of any judicial or administrative proceeding against the Participant, Authorized Traders or ISV or any of their Authorized Users by a Government Agency or the imposition of a fine in excess of $25,000, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any Government Agency;

(6) the indictment or conviction of, or any confession of guilt or plea of guilty or *nolo contendere* by, the Participant, Authorized Trader or ISV or any of their Authorized Users, senior officers or principals for any felony or for any misdemeanor involving, arising from, or related to, the purchase or sale of any Swap or other financial instrument, or involving or arising from fraud or moral turpitude; and

(7) it, any of its Authorized Traders, or any of its or their Affiliates becomes Insolvent.

Rule 403. Inspections by the Company

The Company and the Regulatory Services Provider shall have the right to access and inspect systems, equipment, and software operated by a Participant or Authorized Trader,

wherever located, access the systems, equipment, software, and the premises on which the systems, equipment, and software are located, data stored in such systems or equipment, and copy and/or reproduce such data as may be necessary to monitor for compliance such Participant or Authorized Trader with the requirements of Rule 520.

Rule 404. Financial and Related Reporting Requirements

(a) A Participant that is registered with or authorized or supervised by a Government Agency shall provide to the Company or to the Regulatory Services Provider a copy of such Participant's regulatory capital report, reasonably contemporaneously with the filing of such report and substantially in the form such report was filed with such Government Agency. Additionally, a Participant, whether or not subject to such filing requirements, shall provide the Company or the Regulatory Services Provider with such financial information as the Company may reasonably require from time to time.

(b) Each Participant must notify the Company and the Regulatory Services Provider immediately when it ceases to be an Eligible Contract Participant, and if the Participant is registered with the CFTC as a futures commission merchant, when it ceases to satisfy the minimum financial requirements set out in CFTC Regulation 1.17. A Participant that is registered with the CFTC as a futures commission merchant that is unable to demonstrate that it is in compliance with the minimum financial requirements of CFTC Regulation 1.17 shall not effect transactions in Swaps except for the purpose of closing open positions to the extent not prohibited by Applicable Law.

Rule 405. Restrictions on Activity

If a Termination Event occurs with respect to a Participant or the Company determines that the financial or operational condition of a Participant, one of its Affiliates or an Authorized Trader is such that to allow that Participant to continue to have access to the Trading System would adversely affect the Company or the financial markets, the Company may limit or restrict the number or type of Swaps that may be traded by such Participant or Authorized Trader on the Trading System or terminate the Trading Privileges of such Participant, or Authorized Trader, as well as the Trading Privileges of all of its and their Authorized Users.

Rule 406. Customers

The agreement between a Participant or Authorized Trader and its Customers shall be subject to the Rules to the extent applicable. Additionally, a Participant or Authorized Trader, as applicable, will be deemed to represent and warrant each time it makes use of the Trading System on behalf of a Customer that such Customer is an Eligible Contract Participant.

Rule 407. Publication of Trade Information

The Company shall daily publish on its website information regarding volume, price ranges (based on non-cancelled bids, non-cancelled offers, and sales) subject to such prices accurately reflecting market conditions within the discretion of the Company, and opening and closing prices. The Company shall also publish on its website, on a daily basis, the total quantity of Block Trades

that are included in the total volume of trading. Information on settlement prices and open interest shall be provided, if applicable, by the relevant Derivatives Clearing Organization.

Rule 408. Disaster Recovery; Business Continuity

(a) Each Participant shall have written disaster recovery and business continuity policies and procedures in place to ensure it is able to operate in the event of a significant internal or external interruption to its operations.

(b) The Company may from time to time identify certain Participants that provide significant liquidity to the Trading System and each such Participant shall also:

(1) have procedures in place to allow it to continue to operate during periods of stress or to transfer accounts to another fully operational Participant with minimal disruption to the Company and to its Authorized Traders and Customers; and

(2) perform periodic testing of disaster recovery and business continuity plans, duplication of critical systems at back-up sites and periodic back-up of critical information and must maintain and, at the request of the Company, provide accurate and complete contact information for its key personnel.

(c) The Company may prescribe additional and/or alternative requirements for a Participant's compliance with this Rule.

Rule 409. Anti-Money Laundering Organization

Each Participant and Authorized Trader will be deemed to have made the following representations, warranties and covenants to the Company, on behalf of itself and its respective Authorized Users and Customers, each time it makes use of the Trading System:

(a) Such Participant and Authorized Trader is in compliance with all laws, rules and regulations applicable to it pertaining to anti-money laundering and anti-terrorism, including those related to sanctions screening and customer identification and verification. Such Participant or Authorized Trader shall provide to the Company, upon request, so long as permitted by Applicable Law, including those pertaining to data privacy, any documents and other information reasonably requested by the Company in order to satisfy any anti-money laundering, anti-terrorism, sanctions screening or other customer identification and verification laws, rules and regulations applicable to the Company. Such information may include, without limitation, background documentation and foreign bank certifications relating to such Participant or Authorized Trader or any of their respective Authorized Users or Customers and, if applicable, the anti-money laundering, anti-terrorism sanctions screening or customer identification or verification policies of such Participant, Authorized Trader, Authorized User or Customers, as applicable; and

(b) To the extent that such Participant or Authorized Trader, or any of their respective Authorized Users or Customers, is located within the United States, or is otherwise subject to the jurisdiction of the United States, such Participant, Authorized Trader, Authorized User or Customer is a U.S. person as defined by applicable regulations administered and enforced by the Office of Foreign Assets Control ("OFAC"), is subject to such regulations, and has implemented

a program reasonably designed to comply with such regulations. As part of its OFAC compliance program, such Participant, Authorized Trader, Authorized User or Customer, as applicable, has screened and will continue periodically to screen against the most recent version of OFAC's List of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorist Organizations and Specially Designated Narcotics Traffickers the name and address of any counterparty to a transaction it executed or that was executed on its behalf on the Trading System.

CHAPTER 5. TRADING PRACTICES

Rule 501. Scope

This Chapter 5 applies to all transactions in Swaps, except as otherwise specifically provided in Chapter 6.

Rule 502. Rule Violations

It shall be a violation for any Person subject to the Company's jurisdiction to violate any Rule, or any Company Requirement.

Rule 503. Just and Equitable Principles of Trade; Acts Detrimental

It shall be a violation of these Rules for any Person subject to the Company's jurisdiction to engage in conduct inconsistent with just and equitable principles of trade or that is detrimental to the interest or welfare of the Company. A Participant that has actual or constructive notice of a violation of the Rules involving the use of the Trading System by any of its Authorized Traders or any of their respective Authorized Users or Customers may be found to have committed an act detrimental to the Company.

Rule 504. Fraudulent Acts Prohibited

No Person subject to the Company's jurisdiction shall engage in any fraudulent act or engage in any scheme to defraud, deceive or mislead another Person (including the Company and the Regulatory Services Provider) in connection with or relating to any Swap. Specifically, no Person subject to the Company's jurisdiction shall engage in front running, fraudulent trading, trading ahead of customers, trading against customer orders, and improper cross trading.

Rule 505. Fictitious or Noncompetitive Transactions Prohibited

No Person subject to the Company's jurisdiction shall engage in fictitious or noncompetitive transactions except, in the case of noncompetitive transactions, as otherwise provided in Chapter 6, or enter an Order, or originate or respond to a Request for Quote for such a purpose.

Rule 506. Market Disruption Prohibited

No Person subject to the Company's jurisdiction shall enter data or other information into the Trading System, including Orders, Requests for Quote, for the purpose of upsetting the equilibrium of the market in any Swap or creating a condition in which prices do not or will not reflect fair market values.

Rule 507. Market Manipulation Prohibited

No Person subject to the Company's jurisdiction shall attempt to manipulate or manipulate the market in any Swap.

Rule 508. Disruptive Trading Practices Prohibited

No Person subject to the Company's jurisdiction shall engage in any trading practice or conduct that constitutes a "disruptive trading practice," as such term is described in Section 4c(a)(5) of the CEA or in interpretive guidance issued by the CFTC, in relation to the trading of any Swap.

Rule 509. Prohibition of Misstatements

No Person subject to the Company's jurisdiction shall make a misstatement of a material fact to the Company, including any Committee, Review Panel, Disciplinary Panel or Appeal Panel, or to the Regulatory Services Provider, or knowingly omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Rule 510. Misuse of the Trading System

Misuse of the Trading System is strictly prohibited. No Person subject to the Company's jurisdiction shall (i) permit unauthorized use of the Trading System; (ii) assist any Person in obtaining unauthorized access to the Trading System; (iii) trade in any Swap on the Trading System without an agreement and an established account in good standing with a Clearing Firm; (iv) interfere with the operation of the Trading System; (v) intercept or interfere with information provided by or to the Trading System; or (vi) in any way use the Trading System in a manner contrary to the Rules.

Rule 511. Financial or Other Incentive Programs

The Company may from time to time establish programs that provide Participants with financial or other incentives for meeting trading volume, liquidity or other thresholds as may be established by the Company.

Rule 512. Withholding of Customer Orders Prohibited; Priority of Customer Orders

(a) Customer Orders (other than a Customer Order allowing discretion as to time and price) must be entered into the Trading System as soon as practicable and in the sequence in which they were received by a Participant, Authorized Trader or Authorized User, as applicable. A Participant, Authorized Trader or Authorized User that receives a Customer Order shall electronically record the time when such Customer Order was received.

(b) No Participant, Authorized Trader or Authorized User shall withhold or withdraw from the market any Customer Order, or any part of a Customer Order, for the benefit of any Person other than the Customer for whom the Participant, Authorized Trader or Authorized User is placing the Customer Order. No Participant, Authorized Trader or Authorized User shall knowingly enter an Order or submit a Request for Quote into the Trading System for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority (other than an Order allowing discretion as to time and price) when such Participant, Authorized Trader or Authorized User is in possession of a Customer Order for the same Swap that can be but has not been submitted to the Trading System.

(c) Nothing in this Rule 512 shall limit the ability of an "eligible account manager" to bunch Orders in accordance with CFTC Regulation 1.35(b)(5).

Rule 513. Handling of Customer Orders

(a) Except as provided in paragraphs (b) and (c), no Person in possession of a Customer Order shall knowingly take, directly or indirectly, the opposite side of such Customer Order on the Trading System's central limit order book for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

(b) A Person may knowingly trade on the Trading System's central limit order book against a Customer Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority, if the Customer Order has been entered into the Trading System's central limit order book as promptly as practicable after receipt of the Customer Order and has been exposed on the Trading System's central limit order book for a minimum of fifteen (15) seconds.

(c) The provisions of this Rule 513 shall not apply to Permitted Transactions.

Rule 514. Disclosing Orders and Requests for Quotes Prohibited

(a) No Person subject to the Company's jurisdiction shall disclose the terms of an Order, Request for Quote or Indication of Interest prior to its entry into the Trading System, except to a Company Official, the Regulatory Services Provider or a Government Agency, and no Person subject to the Company's jurisdiction shall solicit or induce another Person to disclose such information.

(b) The foregoing shall not apply to pre-execution communications conducted in accordance with Rule 517(b), to Block Trades effected pursuant to Chapter 6, to statements of opinion, or to indications of the price at which a market may open or trade.

Rule 515. Simultaneous Buy and Sell Orders for Different Beneficial Owners

(a) Except as provided in paragraph (b) and (c), opposite Orders for different beneficial owners may not knowingly be simultaneously entered into the Trading System's central limit order book by an Authorized User on behalf of a Participant or Authorized Trader with discretion over both accounts unless one Order is exposed for a minimum of fifteen (15) seconds.

(b) A Customer Order allowing for price and/or time discretion may be knowingly entered into the Trading System's central limit order book opposite another Order entered by the same Person only if it is entered immediately upon receipt or exposed to the market for a minimum of fifteen (15) seconds.

(c) The Company may adjust the fifteen (15) second time delay required under this Rule for a given Swap, based upon such Swap's liquidity and other product-specific considerations if any such amended time delay provides Participants, Authorized Traders and Authorized Users sufficient time to have a meaningful opportunity to execute against such Order.

(d) The provisions of this Rule 515 shall not apply to Permitted Transactions or to transactions executed pursuant to Chapter 6.

Rule 516. Wash Sales Prohibited

No Person subject to the Company's jurisdiction shall buy and sell a Swap, place or accept buy and sell Orders in the same Swap, or knowingly execute or accommodate the execution of such Orders by direct or indirect means, if the Person knows or reasonably should know that the purpose of the transactions is to avoid taking a bona fide market position exposed to market risk. Buy and sell Orders for different accounts with common beneficial ownership that are entered with the intent to negate market risk or price competition shall also be deemed to violate this Rule.

Rule 517. "Moneypassing," Pre-arranged, Pre-Negotiated and Noncompetitive Transactions Prohibited

(a) No Person subject to the Company's jurisdiction may enter Orders or Requests for Quote the purpose of which is to enter into Swaps with a resulting profit to one account and a loss in the other account but no net change in the open positions in either account, commonly known as a "money pass."

(b) No Person subject to the Company's jurisdiction shall pre-arrange or pre-negotiate any purchase or sale or noncompetitively execute any transaction that is subject to the Rules. Notwithstanding the foregoing, Participants, Authorized Traders and Authorized Users may engage in pre-execution communications with regard to transactions executed or to be executed on the Trading System if one party (the first party) wishes to be assured that a contra party (the second party) will take the opposite side of the first party's Order, subject to the following restrictions:

(1) a party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously agreed to permit such communications.

(2) parties to pre-execution communications shall not disclose to a non-party the details of such communications or enter an Order to take advantage of information conveyed during such communications except in accordance with this Rule.

(3) the first party's Order must be entered into the Trading System first, and the second party's Order may not be entered into the Trading System until a period of fifteen (15) seconds has elapsed from the time of entry of the first Order.

(4) each such Order will be processed and matched separately and the Company does not guarantee that the first and second party's Orders will be matched with each other or that both Orders will be executed.

(c) The provisions of paragraph (b) shall not apply to Block Trades or Permitted Transactions.

Rule 518. Responsibility for Customer Orders

A Participant, Authorized Trader or Authorized User may not directly or indirectly guarantee the execution of a Customer Order or any of its terms such as the quantity or price and may only report an execution that has been effected through the Trading System or has been executed pursuant to Chapter 6. This Rule shall not be construed to prevent a Participant or Authorized Trader from assuming or sharing in the Losses resulting from an error or the mishandling of a Customer Order.

Rule 519. Discretionary Customer Orders

No Person shall submit a discretionary Customer Order to the Trading System without the prior written consent of such Customer to the exercise of such discretion. A Customer Order that solely gives a Participant, Authorized Trader or Authorized User time and price discretion shall not be subject to this Rule.

Rule 520. Recordkeeping; Audit Trail

(a) Each Person entering an Order into the Trading System or originating or responding to a Request for Quote shall include with such Order or Request for Quote such information as may be required by the Company, including, to the extent applicable, the legal entity identifier assigned to each party to a Swap and to each party for whom an Order is submitted or Request for Quote is originated or responded to. If a Participant, Authorized Trader or Authorized User receives a Customer Order that cannot be immediately entered into the Trading System or as to which the Participant, Authorized Trader or Authorized User has been given time and price discretion, the Participant, Authorized Trader or Authorized User shall create an electronic record that identifies the Customer from whom the Customer Order has been received, including an electronic timestamp reflecting the date and time (to the nearest second) of receipt.

(b) Participants that provide connectivity to the Trading System to Authorized Traders, Customers or other third parties are responsible for maintaining or causing such Authorized Traders, Customers or other third parties to maintain a routing/front-end audit trail for all Orders and Requests for Quotes, including entry, modification, cancellation and responses to such messages, entered into the Trading System through any gateway to the Trading System, including the times thereof to the highest level of precision achievable by the Participant's operating system, but at least to the nearest second ("Audit Trail"). Times that are so captured must not be capable of being modified**.**

(1) Participants shall maintain, or shall cause Authorized Traders, Customers and other third parties to whom they have provided connectivity to the Trading System to maintain, Audit Trail data in the form and manner required by CFTC Regulations and in accordance with such additional requirements as may be established by the Company. Participants must have the ability to produce such data, or cause such data to be produced, in a standard format upon request of the Market Regulation Department.

(2) A Participant whose Customer is itself a Participant may agree with such Customer that it is the Customer's obligation to maintain the Audit Trail for such

Customer's Orders and Requests for Quotes. Any such agreement shall be in writing, a copy of which shall be provided to the Market Regulation Department.

(c) A suspense account may be used at the time of entry of an Order or Request for Quote provided that a contemporaneous electronic or written record of the Order or Request for Quote with the account designation is made, time-stamped and maintained in accordance with this Rule 520, and provided that the correct account designation is provided to the Clearing Firm prior to the end of the trading day. A suspense account may also be used at the time of entry for bunched Orders or Requests for Quote that are eligible for post-trade allocation and that are executed and allocated in accordance with CFTC Regulation 1.35(b)(5).

(d) A Person must include the customer type indicator ("CTI") code with each Order and Request for Quote. The CTI codes are as follows:

(1) CTI-1 Transactions initiated and executed by a Participant or Authorized Trader for its own account, for an account it Controls or for an account in which it has an ownership or financial interest.

(2) CTI-2 Transactions executed for the proprietary account (as such term is defined in CFTC Regulation 1.3(y)) of a Participant, Authorized Trader or Clearing Firm.

(3) CTI-3 Transactions in which a Participant, Authorized Trader or Authorized User is trading (i) for the personal account of another Participant, Authorized Trader or Authorized User; (ii) for an account that is controlled by such other Participant, Authorized Trader or Authorized User; or (iii) for an account in which such a Participant, Authorized Trader or Authorized User has an ownership or financial interest.

(4) CTI-4 Any transaction not within CTIs 1, 2 or 3.

Rule 521. Position Limits; Exemptions

(a) The Company may establish position limits for one or more Swaps, and grant exemptions from position limits, in accordance with CFTC Regulations. A Person seeking an exemption from position limits must apply to the Market Regulation Department in the form and manner required by the Company.

(b) A Person intending to exceed position limits, including limits established pursuant to a previously approved exemption, must file the required application and receive approval from the Company prior to exceeding such limits. Notwithstanding the foregoing, a Person who establishes an exemption-eligible position in excess of position limits and files the required application with the Company shall not be in violation of this rule provided the filing occurs within one Business Day after assuming the position. In the event the positions in excess of the limits are not deemed to be exemption-eligible, the applicant will be in violation of speculative limits for the period of time in which the excess positions remained open.

(c) The Company shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Company may approve, deny, condition or limit any exemption request based on factors deemed by the

Company to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner. A Person that has received an exemption from position limits pursuant to this Rule 521 shall be deemed to have agreed:

(1) to comply with all terms, conditions or limitations imposed by the Company with respect to the exemption;

(2) that the Company may modify or revoke the exemption at any time;

(3) to initiate and liquidate positions in an orderly manner; and

(4) to promptly submit a supplemental statement to the Company whenever there is a material change to the information provided in the most recent application.

(d) A Participant shall not be in violation of this Rule if it carries positions for its Customers in excess of the applicable position limits for such reasonable period of time as the firm may require to discover and liquidate the excess positions. For the purposes of this Rule, a reasonable period of time shall generally not exceed one Business Day. A Customer who exceeds the position limits as a result of maintaining positions at more than one Participant shall be deemed to have waived confidentiality regarding his positions and the identity of the Clearing Firm(s) at which they are maintained. A Participant carrying such positions shall not be in violation of this Rule if, upon notification by the Company, it liquidates its pro-rata share of the position in excess of the limits or otherwise ensures the Customer is in compliance with the limits within a reasonable period of time.

(e) Nothing in this Rule 521 shall in any way limit:

(1) the authority of the Company to take emergency action; or

(2) the authority of the Company to review at any time any position owned or controlled by any Person and to direct that such position be reduced to the applicable position limit.

(f) A Person who has received written authorization from the Company for an exemption from position limits must annually file an updated application on or before the date that is one year following the approval date of the most recent application. Failure to file an updated application shall result in expiration of the exemption.

(g) No Person shall exceed position limits that may be established by the Company or the CFTC, unless an exemption is granted by the Company. Any Person making a bid or offer that would, if accepted, cause such person to exceed the applicable position limits shall be in violation of this Rule.

Rule 522. Position Accountability

(a) The Company shall establish position accountability levels for Required Transactions unless the Company has previously established position limits pursuant to Rule 521.

A Person who holds or controls aggregate positions in excess of position accountability levels shall:

(1) provide, in a timely manner upon request by the Company, information regarding the nature of the position, trading strategy, and hedging information, if applicable;

(2) be deemed to have consented, when so ordered by the Company, not to further increase the positions which exceed such position accountability levels; and

(3) initiate and/or liquidate such positions in an orderly manner.

(b) For purposes of this Rule 522, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by or the trading of the positions was controlled by a single Person.

Rule 523. Aggregation of Positions

For purposes of Rule 521 and Rule 522, positions in Swaps shall be aggregated in accordance with CFTC Regulations.

Rule 524. Operation of the Trading System

The following is a summary of the execution methods and credit and risk limit functionality available on the Trading System. It is not intended to provide a comprehensive description of the operation of the Trading System or the execution methods available thereon. Certain execution methods may not be available for certain Swaps (e.g., Swaps that are not cleared, Swaps in certain product types, etc.). Additional information with respect to the operation of the Trading System and the execution methods is provided in the applicable user guide and other specific information that the Company may make available to Participants, Authorized Traders and Authorized Users.

(a) The Company supports both Permitted Transactions and Required Transactions through the execution methods detailed in Rule 524(b) and (c). Each Required Transaction that is not a Block Trade will be executed using Central Limit Order Book or Request for Quote functionality.

~~(a)~~(b) *Central Limit Order Book (CLOB).* The Trading System's central limit order book functionality provides a system through which Participants may accept bids or offers made by other Participants that are open to multiple Participants, subject to any applicable credit and/or risk limits established for such transactions.

~~(b)~~(c) *Request for Quote.* Under the RFQ functionality, a Person (the "Taker") may submit an RFQ to not less than the minimum number of market participants ("Makers") required under CFTC Regulations. For RFQ transactions that are Required Transactions, the following principles shall apply: (i) a Maker affiliated with a Taker will not count towards the minimum number of Makers required under CFTC Regulations; (ii) Makers that are Affiliates shall count

only as a single Maker; (iii) at the same time that the Taker receives the first responsive bid or offer from a Maker, the Taker will also receive any firm bid or offer pertaining to the same Swap resting on the Trading System's central limit order book; (iv) the Taker shall have the opportunity to (x) execute against any responsive bid or offer from a Maker or a firm resting bid or offer provided pursuant to subparagraph (iii), or (y) submit a counteroffer to one or more of the Makers that have responded to the RFQ as long as such counteroffer is submitted to at least the minimum number of Makers required by CFTC Regulations.

~~(c)~~(d) *Credit and Risk Limits*. The Trading System permits Participants, Authorized Traders and Clearing Firms to input and establish credit and/or risk limits on the Trading System. The Company may also require Participants, Authorized Traders and/or Clearing Firms to input and establish credit and/or risk limits on the Trading System. A Person establishing credit and/or risk limits on the Trading System shall be solely responsible for evaluating the creditworthiness of each Person for whom it establishes such limit and for ensuring that such Person is in compliance with any such limits. Each Participant, Authorized Trader or Authorized User shall be responsible for ensuring that it is in compliance with any such credit limits, however, and the Company shall not have any responsibility for compliance with credit limits by a Participant, Authorized Trader or Authorized User, notwithstanding that such credit limits may have been input into the Trading System, or for monitoring, maintaining or enforcing any such credit limits.

Rule 525. Confirmation of Transactions

(a) The Company shall provide each counterparty to a Swap with a written record of all of the terms of the Swap which shall serve as a confirmation of the Swap. The economic terms that relate to a transaction agreed by Participants with respect to an uncleared Swap shall be reflected by the Company in a written communication (the "**Trade Communication**") sent to the applicable Participants promptly after the time such Swap is executed on the Trading System. The Trade Communication, together with the documents and agreements (including, without limitation, ISDA Master Agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions) governing such Swap existing at the time of such commitment to which the Participants are party (the "**Terms Incorporated by Reference**") shall, taken together, for purposes of CFTC Regulation 37.6(b) comprise all of the terms of such Swap and serve as a confirmation of such Swap (the Trade Communication and Terms Incorporated by Reference, together, the "**SEF Confirmation**").

(b) In satisfaction of the obligations imposed on the Company under CFTC Regulation 37.6(b), (i) each Trade Communication is deemed to incorporate the Terms Incorporated by Reference set forth in this Rule 525, and (ii) the Participants hereby agree that the provisions of Rule 525 shall govern any conflicting terms.

(c) In the event of any conflict between (x) the Trade Communication and (y) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency

(d) A Swap that is effected as a Block Trade shall be confirmed by the Company when it is reported to the Company in accordance with Rule 601.

Rule 526. Trade Cancellations and Price Adjustments

(a) Mandatory Cancellation. If a transaction is submitted to, but not accepted for clearing by, a Derivatives Clearing Organization within the time set forth in the rules of such Derivatives Clearing Organization, such transaction shall be deemed to be void *ab initio* and neither the parties thereto nor the Company shall have any further responsibility for such transaction under these Rules.

(b) Company Authority.

(1) The Company has authority to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market-disrupting events caused by the improper or erroneous use of the Trading System or by a malfunction or other technical error in the Trading System.

(2) Notwithstanding any other provision of this Rule 528, the Company may adjust trade prices or bust any trade if the Company determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market.

(c) Review of Trades.

(1) The Company may determine to review a trade based on its independent analysis of market activity or upon request for review by a Participant. A request for review must be made within fifteen (15) minutes of the execution of the trade.

(2) The Company shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the Company deems it to be appropriate, the Company may determine, in its sole discretion, that a trade shall not be subject to review.

(3) Upon deciding to review a trade, the Company shall promptly issue an alert to all Participants via the Trading System or electronic mail indicating that the trade is under review.

(d) Price Adjustments and Trade Busts.

(1) *Company Review Procedures*. In reviewing a trade, the Company shall first determine whether the trade price is within the No-Bust Range set forth in paragraph (h)~~(g)~~.

(2) *Trade Price Inside the No-Bust Range*. If the Company determines that the price of the trade is inside the No-Bust Range, the Company shall issue an alert indicating that the trade shall stand.

(3) *Trade Price Outside the No-Bust Range*. If the Company determines that a trade price is outside the No-Bust Range, the trade shall be cancelled. The Company shall issue an notice regarding such cancellation.

(4) *Trade Cancellations.* Busted trade prices and any prices that have been adjusted shall be cancelled in the Company's official record of time and sales. Trades that are price–adjusted shall be inserted in the time and sales record at the adjusted trade price.

(e) Prime Broker Transaction. Notwithstanding anything to the contrary in this Rule 526, the following provisions shall apply to Prime Broker Transactions:

(1) A Prime Broker may request the cancellation of any Prime Broker Transaction (i) that is executed in excess of the limit established by the Prime Broker with respect to the Prime Broker Transaction, (ii) because the Prime Broker Transaction was executed by a Person that was not authorized by the Prime Broker, or (iii) because the Prime Broker Transaction was executed for an unauthorized product. The Prime Broker shall communicate such request directly to the Company within 48 hours after the execution of the relevant Prime Broker Transaction and indicate the reason for the cancellation. If the foregoing conductions are satisfied, the Company will cancel the Prime Broker Transaction.

~~(4)~~(2) A Participant that is a counterparty to a Prime Broker Transaction may request the cancellation of a Prime Broker Transaction by sending a cancellation message to the Company. The cancellation message must state the name and contact information of the Prime Broker for the Prime Broker Transaction and the reason for cancellation. If the Prime Broker confirms the cancellation, the Company will cancel the Prime Broker Transaction.

~~(e)~~(f) Alternative Resolution by Agreement of Parties.

(1) With the approval of the Company, parties to a trade that is price – adjusted may instead mutually agree to cancel the trade.

(2) With the approval of the Company, parties to a trade that is busted may instead mutually agree to price–adjust the trade by cancelling the trade and reporting a new trade at the adjusted price.

~~(f)~~(g) Schedule of Administrative Fees. When the Company busts or price–adjusts a trade, the Participant responsible for the Order or the RFQ that gave rise to the trade bust or price–adjustment shall pay an administrative fee to the Company in the amount of $500 for each such occurrence.

(h) No-Bust Ranges. The price of a Swap shall be within the "no-bust range" if such price is not more than 10% higher or lower than the price of the last trade in such Swap or, if such Swap has not previously been traded on that Business Day, not more than 10% higher or lower than the prior Business Day's settlement price for such Swap.

~~(g)~~(i) Any trade price adjustments or trade cancellations shall be transparent to the market and subject to standards that are clear, fair, and publicly available.

~~(h)~~(j) Company Determinations Final. All determinations and decisions of the Company with respect to the foregoing matters shall be final.

Rule 527. Limitation of Liability: No Warranties

(a) EXCEPT AS PROVIDED BELOW, AND EXCEPT IN INSTANCES IN WHICH THE DISCLAIMING PARTY (DEFINED BELOW) HAS BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE ENGAGED IN FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN WHICH CASE THE DISCLAIMING PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 528, NEITHER THE COMPANY, NOR ANY AFFILIATE OF THE COMPANY, NOR ANY OF THEIR RESPECTIVE MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, EQUITYHOLDERS, AGENTS, CONSULTANTS, OR SERVICE PROVIDERS (INCLUDING ANY REGULATORY SERVICES PROVIDER), NOR ANY MEMBER OF ANY COMMITTEE OR OTHER GOVERNING BODY OF ANY AFFILIATE OF THE COMPANY (EACH OF THE FOREGOING, AS APPLICABLE, THE "DISCLAIMING PARTY" AND, COLLECTIVELY, "DISCLAIMING PARTIES"), SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES ARISING OUT OF OR IN CONNECTION WITH:

(1) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE TRADING SYSTEM OR ANY OTHER SYSTEMS AND SERVICES OF THE COMPANY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING ELECTRONIC ORDER ENTRY AND DELIVER, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY CLEARING FIRMS, PARTICIPANTS, AUTHORIZED TRADERS, AND AUTHORIZED USERS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE AND FIRMWARE RELATION THERETO; OR

(2) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF ANY SYSTEM OR SERVICE OF THE COMPANY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR

(3) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE COMPANY OR ANY OF THE COMPANY'S SYSTEMS, SERVICES OR FACILITIES; OR

(4) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY OF THE COMPANY'S SYSTEMS, SERVICES, EQUIPMENT OF FACILITIES BY ANY PERSON.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM IS BASED ON BREACH OF CONTRACT, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, NEGLIGENT MISREPRESENTATION, RESTITUTION, BREACH OF STATUTORY DUTY, BREACH OF WARRANTY OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM.

(b) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE COMPANY OR ANY OTHER DISCLAIMING PARTIES, RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE TRADING SYSTEM AND THE COMPANY HEREBY SPECIFICALLY DISCLAIMS, OVERRIDES AND EXCLUDES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, CONDITIONS, OTHER CONTRACTUAL TERMS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS, IMPLIED OR STATUTORY, ARISING BY LAW, CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS BY THE COMPANY OR ANY OTHER DISCLAIMING PARTY OR OTHERWISE (INCLUDING BUT NOT LIMITED TO, AS TO TITLE, SATISFACTORY QUALITY, ACCURACY, COMPLETENESS, UNINTERRUPTED USE, NON-INFRINGEMENT, TIMELINESS, TRUTHFULNESS, SEQUENCE AND ANY IMPLIED WARRANTIES, CONDITIONS AND OTHER CONTRACTUAL TERMS ARISING FROM TRANSACTION USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE) RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE TRADING SYSTEM.

(c) THE COMPANY'S TOTAL COMBINED AGGREGATE LIABILITIES SHALL NOT EXCEED $100,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS OR A SINGLE DAY; $200,000 FOR ALL LOSSES SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND $2,000,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS IN A SINGLE CALENDAR YEAR. If the number of allowed claims arising out of any failures or malfunctions on a single day or single month cannot be fully satisfied because of the above dollar limitations, all such claims shall be limited to a pro rata share of the maximum amount for the respective period. In no event shall the total combined aggregate liability of the disclaiming parties for all claims arising out of any failures, malfunctions, faults in delivery, delays, omissions, suspensions, inaccuracies, interruptions, terminations or any other cause in connection with the furnishing, performance, operation, maintenance, sue of or inability to use all or any part of any of the company's systems or services, or services equipment or facilities used to support such systems or services, including the trading system, or the negligence of the company or any disclaiming party exceed 2,000,000 in any given calendar year.

(d) Under no circumstances shall the Company be liable to a Participants or any other Person for any indirect, special, incidental, consequential, exemplary loss or punitive damages of any kind, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties or otherwise, including any loss of revenue, loss of actual or anticipated profits, loss of contracts, loss of the use of money, loss of anticipated savings, loss of business, loss of opportunity, loss of market share, loss of goodwill, loss of reputation or loss of, damage to or corruption of data, however suffered or incurred, regardless of whether the Company has been advised of the possibility of such damages otherwise could have been foreseen or prevented.

(e) Under no circumstances shall the Company be liable for the acts, errors or omissions or any third party, including any data communication service, Swap Data Repository or Derivatives Clearing Organization.

(f) Any dispute arising out of the use of the systems or services of the Company or services, equipment, or facilities used to support such systems or services, including the Trading System, in which one or more Disclaiming Parties is a party shall be arbitrated pursuant to the Rules in Chapter 8, and references in Chapter 8 to a "Participant" shall, to the extent relevant, be deemed for such purpose to mean and include the Disclaiming Parties. Any such claim against a Disclaiming Party shall be brought within two years form the time that a cause of action has accrued. This paragraph (f) shall in no way be construed to create a cause of action and shall not authorize an action that would otherwise be prohibited by the Rules. If for any reason, a court of competent jurisdiction finds that a dispute is not arbitable, such dispute may be litigated only in accordance with Rule 911.

Rule 528. Swap Data Reporting

(a) The Company will report to Reportable Swap Data for each Swap executed on or pursuant to the Rules. The Company may provide such Reportable Swap Data to Participants, Authorized Traders and Authorized Users no earlier than the time it transmits such information to a Swap Data Repository and in a form that does not disclose the identities, or otherwise facilitate identification, of the parties to the Swap.

(b) The Reporting Counterparty for each Swap executed on or pursuant to the Rules shall be established pursuant to CFTC Regulations. If both counterparties to a Swap executed on or pursuant to the Rules are equal in the hierarchy set out in CFTC Regulations, (for example, both are swap dealers), the Reporting Counterparty for such Swap shall be the Participant or Authorized Trader that is the buyer or payer (or equivalent) on the Swap.

(c) The Company shall from time to time designate a Swap Data Repository in respect of one or more Swaps in accordance with the notice provisions of Rule 308.

(d) Each Participant, Authorized Trader and Authorized User that enters an Order or a Request for Quote into the Trading System shall include with each such Order or Request for Quote the following information (to the extent such information is not provided by the Trading System):

(1) the legal entity identifier of such Participant or Authorized Trader, if available;

(2) a yes/no indication of whether such Participant or Authorized Trader is a swap dealer with respect to the Swap for which the Order or Request for Quote is placed;

(3) a yes/no indication of whether such Participant or Authorized Trader is a major swap participant with respect to the Swap for which the Order or Request for Quote is placed;

(4) a yes/no indication of whether such Participant or Authorized Trader is a financial entity;

(5) a yes/no indication of whether such Participant or Authorized Trader is a U.S. person; and

(6) if the Swap will be allocated:

(A) an indication that the Swap will be allocated;

(B) the legal entity identifier of the agent;

(C) an indication of whether the Swap is a post-allocation swap; and

(D) if the Swap is a post-allocation swap, the unique swap identifier of the original transaction between the reporting counterparty and the agent.

Post-allocation Swaps shall be respectively effected and reported in accordance with the rules of the Derivatives Clearing Organization and Swap Data Repository and in accordance with CFTC Regulations.

Rule 529. Updating Reportable Swap Data

Any Participant, Authorized Trader or Customer that become aware of an error or omission in Reportable Swap Data for a Swap executed on or pursuant to the Rules shall promptly submit corrected data to the Company and, if the error or omission relates to a Block Trade, the counterparty to such Block Trade.

CHAPTER 6. BLOCK TRADES

Rule 601. Block Trades

(a) Block Trades shall be permitted to the extent consistent with CFTC Regulations and these Rules.

(b) The following shall govern Block Trades:

(1) A Block Trade must be for a quantity that is at or in excess of the applicable minimum block size established by the CFTC. Orders for different accounts may not be aggregated to achieve the minimum block size, except as permitted pursuant to applicable CFTC Regulations, interpretations or guidance.

(2) Spread trades may be executed as Block Trades, provided that the quantity of each leg of the spread meets the minimum quantity for each respective maturity.

(3) A Participant or Authorized Trader must receive instructions from a Customer or obtain the Customer's prior consent in writing before entering into a Block Trade with that Customer.

(4) A Block Trade may only be executed pursuant to the Rules and Company Requirements and reported to the Company if both counterparties to the trade are Participants, Authorized Traders or Customers of Participants or Authorized Traders.

(5) Both parties to a Block Trade executed in accordance with the provisions of this Chapter 6 shall report the Block Trade to the Company as soon as technologically practicable following the execution of such Block Trade, but not later than the time required under the Rules. Such report must include the information required by the Company.

(6) The Company shall transmit all required Block Trade data to a Swap Data Repository as soon as technologically practicable following receipt of such data by the Company.

Rule 602. Time-Stamp Requirements for Block Trades

All Block Trades executed in accordance with Chapter 6 are subject to the following requirements:

(a) the record of each Block Trade maintained by Participants to the Block Trade pursuant to Rule 401(a)(8) shall include an electronic time-stamp reflecting the date and time of execution; and

(b) the Company shall time-stamp the transaction and pricing data with the date and time (to the nearest second) that the Company receives such data from the party reporting the Block Trade and the date and time when the Company transmits such data to a Swap Data Repository.

CHAPTER 7. DISCIPLINARY RULES

Rule 701. General

(a) A Participant, Customer or Clearing Firm shall be subject to this Chapter 7 if such Person is alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule.

(b) The Company, through the Company and the Disciplinary Panel, will conduct Disciplinary Proceedings. The Company will maintain an enforcement staff that will prosecute violations in accordance with this Chapter 7. The enforcement staff shall not include Participants, Authorized Traders, Authorized Users or Persons whose interests conflict with their enforcement duties. Members of the enforcement staff shall not operate under the direct control of any person with Trading Privileges. No member of the Market Regulation Department may be a Review Panel Member, Disciplinary Panel Member or Appeal Panel Member. Any reference to the Company in this Chapter 7 shall also be a reference to the enforcement staff.

(c) No Company Official, Director or Officer will interfere with or attempt to influence the process or resolution of any Disciplinary Proceeding, except to the extent provided under the Rules with respect to a Disciplinary Proceeding in which an Officer or Company Official is a member of the enforcement staff or a Director is a member of the relevant Disciplinary Panel or Appeal Panel.

(d) No Participant, Authorized Trader, Authorized User, Customer or other Person subject to the Company's jurisdiction may knowingly or intentionally impede or delay any Disciplinary Proceeding or any inquiry or investigation by the Market Regulation Department.

(e) A Person who acts in violation of Rule 703(d) may be subject to summary suspension or other summary action in accordance with Rule 717.

(f) A Participant, Authorized Trader, Authorized User, Customer or other Person subject to the Company's jurisdiction may be represented in a Disciplinary Proceeding by legal counsel or any other representative of its choosing at its own expense.

(g) Liability.

(1) The Company may hold a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation of these Rules as well as for the acts and omissions of (i) such Authorized Trader's Authorized Users, and Customers or (ii) a Person using the User ID of any of such Participant's Authorized Users, in each case, that constitute a violation as if such violation were that of the Participant.

(2) The Company may hold an Authorized Trader liable for, and impose sanctions against such Authorized Trader, for such Authorized Trader's own acts and omissions that constitute a violation of these Rules as well as or for the acts and omissions of (i) such Participant's Authorized Traders, Authorized Users, and Customers or (ii) a

Person using the User ID of any of such Authorized Trader's Authorized Users in each case, that constitute a violation as if such violation were that of the Authorized Trader.

(3) The Company may hold an Authorized User liable for, and impose sanctions against such Authorized User, for such Authorized User's own acts and omissions that constitute a violation of these Rules, as well as or for the acts and omissions of (i) a Person using such Authorized User's User ID, or (ii) any other agent or representative of such Authorized User, in each case, that constitute a violation as if such violation were that of the Authorized User.

(4) The Company may hold a Customer liable for, and impose sanctions against such Customer, for such Customer's own acts and omissions that constitute a violation of these Rules, as well as for the acts and omissions of any agent or representative of such Customer that constitute a violation as if such violation were that of the Customer.

(5) The Company will sanction Customers for Rule violations, and may not sanction the sponsoring Participant that provided access to the Customer instead of the Customer. In the event that both the sponsoring Participant and Customer have violated the Rules, the Company may sanction both the sponsoring Participant and Customer.

(h) Ex Parte Communications.

(1) A Person subject to a Disciplinary Proceeding (and any legal counsel or other representative of such Person) and the Market Regulation Department (and any legal counsel or other representative of the Market Regulation Department) shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a Disciplinary Proceeding to any member of the Review Panel, Disciplinary Panel or the Appeal Panel hearing such proceeding or appeal, as applicable.

(2) Members of the Review Panel, Disciplinary Panel shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a Disciplinary Proceeding to any Person subject to such proceeding, the Company or any legal counsel or other representative of such Person or the Company.

(3) Any Person who receives makes or learns of any communication that is prohibited by this Rule shall promptly give notice of such communication and any response thereto to the Company and all parties to the Disciplinary Proceeding to which the communication relates.

(4) A Person shall not be deemed to have violated this Rule if the Person refuses an attempted communication concerning the merits of a Disciplinary Proceeding as soon as it becomes apparent the communication concerns the merits.

Rule 702. Inquiries and Investigation

(a) The Company shall make such inquires as it deems necessary or appropriate to monitor Participants' and other Persons' compliance with the Rules. The Company shall commence an investigation, as provided in paragraph (b), if it has reason to believe that the Rules

have been or may be violated or upon the receipt of a request from the CFTC. Any member of the Market Regulation Department must promptly recuse himself or herself and notify the Chief Compliance Officer if such member has a material conflict of interest with respect to any potential respondent in an Investigation Report.

(b) Persons subject to the Company's jurisdiction shall assist the Company and the Regulatory Services Provider in any investigation into potential violations of the Rules and the Company or the Regulatory Services Provider may require a Participant or Authorized Trader to furnish such information concerning the such Person's business that is subject to the Rules and Company Requirements as the Company may deem necessary to enable the Company to perform its obligations under Applicable Law, including information relating to Swaps and related financial instruments, and information requested by a Government Agency, Self-Regulatory Organization, Derivatives Clearing Organization or service provider or licensor relating to the Company's business as a swap execution facility and/or the Company's compliance with Applicable Law. The Company or Regulatory Services Provider may require such Person to produce documents, to answer questions from the Company, and/or to appear in connection with an investigation.

(c) The Company will investigate apparent violations of the Rules of which it becomes aware. The Company will commence an investigation upon the receipt of a request from CFTC staff or upon the discovery or receipt of information by the Company that, in the judgment of the Company, indicates a reasonable basis for finding that a violation has occurred or will occur. The Company will determine the nature and scope of its inquiries and investigations in its sole discretion and will function independently of the commercial interests of the Company.

(d) The Company has the authority to:

(1) initiate and conduct inquiries and investigations;

(2) prepare Investigation Reports and make recommendations concerning initiating Disciplinary Proceedings; and

(3) prosecute alleged violations within the Company's disciplinary jurisdiction.

(e) Each Person subject to the Company's jurisdiction is obligated to appear and testify and respond in writing to requests for information from the Company and to produce books, records, papers, documents or other tangible evidence in such Person's possession, custody or control within the time period required by the Company.

Rule 703. Reports of Investigations

(a) The Company will maintain a log of all investigations and their disposition. The Company will prepare a written report of each investigation (the "Investigation Report"), regardless of whether the evidence gathered during an investigation forms a reasonable basis to believe that a violation within the Company's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) The Investigation Report shall include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, Company staff's analysis and conclusions, and the recommendation of the Company. For each potential respondent, the Company will recommend either:

(1) closing the investigation without further action;

(2) resolving the investigation through an informal disposition, including the issuance of a warning letter. An informal disposition (including the issuance of a warning letter) shall not constitute a finding of a violation or a sanction;

(3) summary action;

(4) the preparation and service of a notice of charges for instituting a Disciplinary Proceeding; or

(5) a negotiated settlement.

(c) The Investigation Report shall be provided to the Chief Compliance Officer for a determination as to whether the Investigation Report is complete.

(d) Each Company investigation shall be completed in a timely manner and, absent mitigating factors, no later than twelve (12) months after the date that an investigation is opened. Mitigating factors that may justify an investigation taking longer than twelve (12) months to complete include the complexity of the investigation, the number of potential wrongdoers, the number of potential violations to be investigated and the volume of documents and data to be examined and analyzed.

Rule 704. Opportunity to Respond

(a) After completing its Investigation Report, the Company shall, where applicable and with the authorization of the Review Panel, notify each potential respondent that the Company has recommended formal disciplinary charges against the potential respondent.

(b) The Company shall allow a potential respondent to submit a written statement explaining why a Disciplinary Proceeding should not be instituted and/or one or more of the potential charges should not be brought. The potential respondent shall submit any written statement within the time limit established by the Company.

Rule 705. Review of Investigation Reports

(a) After the completion of the Investigation Report and the receipt of any submission made by the proposed respondent pursuant to Rule 704(b), the Chief Compliance Officer shall decide whether to refer the Investigation Report to the Market Regulation Department for further review or to establish a Review Panel pursuant to Rule 710. The Market Regulation Department or Review Panel, as appropriate, shall, within thirty (30) days, take one of the following actions:

(1) If the Market Regulation Department or Review Panel, as appropriate, determines that additional investigation or evidence is needed, it shall promptly direct the Company to conduct such further investigation;

(2) If the Market Regulation Department or Review Panel, as appropriate, determines that no reasonable basis exists for finding a violation or that prosecution is otherwise unwarranted, it shall direct that no further action be taken. Such determination shall be in writing, and shall include a written statement setting forth the facts and analysis supporting the decision; or

(3) If the Market Regulation Department or Review Panel, as appropriate, determines that a reasonable basis exists for finding a violation and adjudication is warranted, it shall direct that the Person alleged to have committed the violation be served with a notice of charges and proceed in accordance with this Chapter 7 or to be issued a warning letter meeting the requirements set forth in Rule 714(b)(1).

(b) A failure of the Market Regulation Department or Review Panel, as appropriate, to act within the time prescribed in paragraph (a) shall not prevent the Chief Compliance Officer from issuing a warning letter if he or she deems it appropriate to do so. The Chief Compliance Officer shall inform the Regulatory Oversight Committee of any such failure of the Market Regulation Department or Review Panel, as appropriate, to act.

Rule 706. Notice of Charges

(a) If the Market Regulation Department or Review Panel, as appropriate, authorizes Disciplinary Proceedings pursuant to Rule 705(a)(3), it will prepare, and serve in accordance with Rule 707, a notice of charges.

(b) A notice of charges shall:

(1) state the acts, practices or conduct in which the respondent is alleged to have engaged;

(2) state each specific Rule alleged to have been violated or about to be violated;

(3) advise the respondent of its right to a hearing;

(4) advise the respondent that it has the right to be represented by legal counsel or any other representative of its choosing in all succeeding stages of the disciplinary process (other than a Director, Officer or employee of the Company, any member of the Disciplinary Panel or any person substantially related to the Disciplinary Proceedings such as material witness or other respondent);

(5) state the period of time within which the respondent may file an answer to, and request a hearing on, the notice of charges which will, except for good cause, not be less than twenty (20) days after service of the notice of charges;

(6) advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing; and

(7) advise the respondent that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted.

Rule 707. Service of Notice

Any notice of charges or other documents to be served pursuant to this Chapter 7 may be served upon the respondent, and service shall be deemed complete, upon: (i) deposit in the United States mail, postage prepaid, via registered or certified mail; (ii) delivery of the same to a recognized courier service, addressed to the respondent at the respondent's last known place of business or residence; or (iii) transmittal by electronic mail to the electronic mail address as it appears on the books and records of the Company, if followed by a hard copy of the document sent promptly thereafter by United States mail, postage prepaid, via registered or certified mail.

Rule 708. Answer to Notice of Charges

(a) If the respondent determines to answer a notice of charges, the respondent shall file its answer within twenty (20) days after being served with such notice, or within such other reasonable time period as may be determined by the Chief Compliance Officer.

(b) To answer a notice of charges, the respondent must in writing:

(1) specify the allegations that the respondent denies or admits;

(2) specify the allegations that the respondent does not have sufficient information to either deny or admit;

(3) specify any specific facts that contradict the notice of charges;

(4) specify any affirmative defenses to the notice of charges;

(5) sign and serve the answer on the Chief Compliance Officer; and

(6) if applicable, request a hearing before a Disciplinary Panel.

(c) Any failure by the respondent to timely serve an answer to a notice of charges will be deemed to be an admission to the allegations in such notice and a waiver of any right to a hearing before a Disciplinary Panel and to appeal any sanction that may be imposed. Any failure by the respondent to answer one or more allegations in a notice of charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a notice of charges that the respondent fails to expressly deny will be deemed to be admitted. A general denial by the respondent, without more, will not satisfy the requirements of paragraph (b).

(d) If a respondent admits or fails to specifically deny any of the allegations in the notice of charges, the Disciplinary Panel shall find that the violations set forth in such allegations

have been committed and shall impose a sanction for such violations. The Disciplinary Panel shall promptly notify the respondent in writing of any sanction imposed pursuant to this Rule 708 and advise the respondent that the respondent may request, in writing, a hearing on such sanction within twenty (20) days of respondent being served with such notice. Any failure by the respondent to timely request a hearing with respect to a notice of sanctions will be deemed to be an acceptance of the sanctions in such notice and a waiver of any right to appeal such sanctions.

Rule 709. Settlements

(a) A respondent or potential respondent may at any time propose in writing an offer of settlement related to anticipated or instituted Disciplinary Proceedings. All offers of settlement shall be submitted to the Chief Compliance Officer.

(b) A respondent or potential respondent may offer to settle Disciplinary Proceedings without admitting or denying the findings contained in the order of the Disciplinary Proceedings but must accept the jurisdiction of the Company over it and over the subject matter of the proceedings, consent to the entry of the findings and sanctions imposed and waive its right to notice, opportunity for a hearing and any and all right to review and appeal under Applicable Law.

(c) If a respondent or potential respondent submits an offer of settlement in accordance with paragraph (a) above, the Chief Compliance Officer will forward the offer, together with his or her recommendation on whether to accept or reject the offer, to the Disciplinary Panel. The respondent or potential respondent may withdraw such offer of settlement at any time before acceptance by the Disciplinary Panel, but may not withdraw such offer at any time after acceptance by the Disciplinary Panel.

(d) The Disciplinary Panel may accept the offer of settlement, but may not alter the terms of a settlement offer unless the respondent or potential respondent agrees. If an offer of settlement is accepted by the Disciplinary Panel, it shall issue a written decision specifying:

(1) the Rule violations it has reason to believe were committed, including the basis or reasons for its conclusions;

(2) any sanction to be imposed, which must include full Customer restitution where Customer harm is demonstrated; and

(3) if applicable, that the respondent has accepted the sanctions imposed without either admitting or denying the Rule violations.

(e) In the event that the Disciplinary Panel accepts an offer of settlement without the agreement of the Company, the decision must adequately support such acceptance. Upon issuance of the written decision in accordance with paragraph (d), the respondent's submission of the offer will be deemed to constitute a waiver of any right to notice, the opportunity for a hearing and review and appeal under the Rules.

(f) If the offer of settlement of a respondent or potential respondent is not accepted by the Disciplinary Panel or for any other reason fails to become final, the matter will proceed as if the offer had not been made and the offer and all documents relating to it will not become part of

the record. Neither a respondent or potential respondent nor the Company may use an unaccepted offer of settlement in any manner at a hearing of, or appeal from, Disciplinary Proceedings.

Rule 710. Review Panel; Disciplinary Panel

(a) A Review Panel, if established pursuant to Rule 705(a), is responsible for reviewing a completed Investigation Report and for determining whether a reasonable basis exists for finding a violation of the Rules and authorizing the issuance of a notice of charges. The Disciplinary Panel shall conduct hearings in connection with any Disciplinary Proceedings (except for summary impositions of fines pursuant to Rule 716), to make findings, render decision, and impose sanctions pursuant to this Chapter 7.

(b) Each Review Panel and Disciplinary Panel for a Disciplinary Proceeding (other than a Summary Proceeding) shall by composed of three (3) individuals who have been appointed by the Chief Compliance Officer including at least one (1) member who would meet the requirements of Rule 201(d)(1)-Rule 201(d)(5) (a "Public Member"). To the greatest extent practicable, the remaining two (2) members shall be from diverse industry participant groups so that no group or class of industry participants dominates or exercises a disproportionate influence on the Review Panel or Disciplinary Panel, as applicable. If required by CFTC rules, the chair of each Review Panel and Disciplinary Panel shall not be disqualified from serving as a Public Director. No employee of the Company or individual involved in adjudicating any other stage of the same proceeding may serve on a Review Panel or Disciplinary Panel, as applicable. Subject to paragraphs (c) and (d), the appointment of a member of a Review Panel or the Disciplinary Panel will not expire until the relevant Disciplinary Proceedings are completed.

(c) If an individual selected is an Interested Person or if a member of the Panel later becomes an Interested Person, a replacement for such individual shall be selected by the Chief Compliance Officer. Except as may otherwise be provided in the Rules, the Board may at any time remove any member of a Panel for cause.

(d) Within ten (10) days of being notified of the appointment of the Panel, a respondent may seek to disqualify any individual named to the Panel for the reasons identified in Rule 206 by serving written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Panel. The Chief Executive Officer will decide the merits of any request for disqualification within his or her sole discretion. Any such decision shall be final and not subject to appeal.

(e) All information, records, materials and documents provided to a Panel and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further a Company investigation or as otherwise required by law. No individual shall serve on a Panel unless that individual has agreed in writing that he or she will not publish, divulge, or make known in any manner facts or information regarding the business of any Person or other information which may come to his or her attention in his or her official capacity as a member of the Panel, except when reporting to the Board or to a Committee concerned with such information or to the Company, when requested by the CFTC or other Government Agency, or when compelled to testify in any judicial or administrative proceeding.

Rule 711. Respondent's Review of Evidence

(a) Prior to the commencement of a hearing, each respondent will be given the opportunity, subject to paragraphs (b) and (c), to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of the Company that the Company will use to support the allegations and proposed sanctions in the notice of charges or which the chair of the Disciplinary Panel otherwise deems relevant to the Disciplinary Proceedings. Unless determined otherwise by the chair of the Disciplinary Panel, all such requests for access to information must be made not less than ten (10) days prior to the scheduled hearing date. Notwithstanding the foregoing, a respondent shall not have the right to review, and the Company shall have no obligation to disclose, information that (i) is protected by attorney-client privilege or attorney work product; (ii) was prepared by an employee of the Company but will not be offered in evidence in the Disciplinary Proceedings; (iii) may disclose a technique or guideline used in examinations, investigations or enforcement proceedings; or (iv) discloses the identity of a confidential source.

(b) The Company may redact, edit or code data and information before furnishing it to the respondent if books, records, documents, papers, transcripts of testimony or other tangible evidence that would otherwise be required to be provided to a respondent contain data or information that could adversely affect the competitive position of the Person providing such data or information or if such data or information might compromise other investigations being conducted by the Company. For purposes of this Rule 711, data and information that could adversely affect a Person's competitive position include positions in Swaps, trading strategies, the identity of any Participant, Authorized Trader or Authorized User and the finances of the Person providing the information. Notwithstanding the foregoing, the Company shall not redact, edit or code competitive or investigative data or information contained in documents in a manner that materially impairs the respondent's ability to defend against the allegations or proposed sanctions in the notices of charges and shall provide the respondent with reasonable access to the information and portions of the documents that the Company intends to rely on to support the allegations or proposed sanctions in the notice of charges.

(c) The respondent shall treat as confidential all data and information provided to it pursuant to this Rule 711, and shall not disclose any such data or information, except as necessary to the respondent's defense of notice of charges and any appeal of the decision of the Disciplinary Panel.

Rule 712. Hearings

(a) All Disciplinary Proceedings (except for summary impositions of fines pursuant to Rule 716) will be conducted at a fair hearing before members of the Disciplinary Panel, which will be convened promptly after reasonable notice to each respondent. Parties to a Disciplinary Proceeding shall include each respondent and the Company.

(b) At a hearing conducted in connection with any Disciplinary Proceeding, the Company will present its case supporting the allegations and proposed sanctions in the notice of charges to the Disciplinary Panel. If a respondent has timely filed an answer to the notice of

charges in accordance with Rule 708, the respondent shall be entitled to attend and participate in the hearing. All hearings will be conducted privately and confidentially.

(c) At a hearing conducted in connection with Disciplinary Proceedings, the Company and each respondent entitled to participate in such hearing may:

(1) present evidence and facts determined relevant and admissible by the chair of the Disciplinary Panel;

(2) call and examine witnesses; and

(3) cross-examine witnesses called by other parties.

(d) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the notice of charges are not expressly denied in the respondent's answer, the chair of the Disciplinary Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If, in such a case, the respondent appears at the hearing, the respondent may not participate in the hearing with respect to such allegations that the respondent failed to properly deny (unless such hearing is a hearing conducted pursuant to Rule 708(d)) by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the notice of charges or otherwise, unless the respondent's failure to properly deny the allegations was solely the result of respondent's failure to timely file an answer and the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Disciplinary Panel shall adjourn the hearing and direct the respondent to promptly file a written answer in accordance with Rule 708.

(e) Any Person entitled, or required or called upon, to attend a hearing before a Disciplinary Panel pursuant to paragraph (c) above shall be given reasonable notice, confirmed in writing, specifying the date, time and place of the hearing. All Participants, Authorized Traders and Authorized Users who are called as witnesses are required to appear at the hearing and, where applicable, produce evidence. The Company shall make reasonable efforts to secure the presence of other Persons called as witnesses whose testimony would be relevant (as determined by the chair of the Disciplinary Panel). A Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert is made subject to appropriate confidentiality requirements.

(f) The Company will arrange for any hearing conducted in connection with Disciplinary Proceedings to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription. If the respondent requests a copy of all or portions of the record, the chair of the Disciplinary Panel may require the respondent to pay the costs of preparing such transcript.

(g) If the respondent has requested a hearing, a copy of the hearing shall be made and shall become a part of the record of the proceeding. The record shall not be required to be transcribed unless:

(1) The transcript is requested by CFTC staff or the respondent;

(2) The decision is appealed pursuant to the rules of the Company; or

~~(1)~~(3) The decision is reviewed by the CFTC pursuant to Section 8c of the Act or Part 9 of CFTC Regulation. In all other instances, a summary record of a hearing is permitted.

~~(f)~~(h) The chair of the Disciplinary Panel may continue, adjourn or otherwise conduct the hearing as he or she may deem appropriate. The chair of the Disciplinary Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chair of the Disciplinary Panel may be counseled by the Company's legal advisors and shall not be bound by evidentiary or procedural rules of law. Once admitted during the hearing, the Disciplinary Panel may consider, and attach the weight it believes appropriate to, evidence or other materials.

~~(g)~~(i) Except for procedural and evidentiary matters decided by the chair of the Disciplinary Panel pursuant to paragraph (g) and Rule 711, unless each respondent otherwise consents, the entire Disciplinary Panel must be present in person during the entire hearing and must be present, in person or by telephone, during any related deliberations.

~~(h)~~(j) The Disciplinary Panel may summarily impose sanctions on any Participant, Authorized Trader or Authorized User who impedes or delays or substantially disrupts the progress of a hearing.

Rule 713. Decision of Disciplinary Panel

(a) As promptly as reasonable following a hearing, the Disciplinary Panel will issue a written order rendering its decision based on the weight of the evidence contained in the record of the Disciplinary Proceedings. A decision by a majority of the Disciplinary Panel will constitute the decision of the Disciplinary Panel.

(b) The Company will provide a copy of the order of the Disciplinary Panel to the respondent and the Company. The order will include:

(1) the notice of charges or summary of the allegations;

(2) the answer, if any, or a summary of the answer filed by the respondent;

(3) a brief summary of the evidence introduced at the hearing or, where appropriate, incorporation by reference of the Investigation Report;

(4) findings of fact and conclusions concerning each allegation, including a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each allegation;

(5) each specific Rule that the respondent is found to have violated; and

(6) the imposition of sanctions, if any, pursuant to Rule 714, including the basis for such sanctions and the effective date of each sanction.

(c) A Disciplinary Panel shall be dissolved automatically when it has decided the matter for which it was appointed and has notified the respondent and the Chief Compliance Officer in writing of its decision.

(d) Unless a timely notice of appeal is filed pursuant to Rule 715, the order of the Disciplinary Panel will become final upon the expiration of twenty (20) days after the order is served on the respondent and the Company.

Rule 714. Sanctions

(a) In the event that a respondent is found in accordance with this Chapter 7 to have violated or to have attempted to violate a Rule, or if sanctions are imposed pursuant to an accepted settlement offer, the Disciplinary Panel shall impose such sanctions as it deems appropriate, commensurate with the violations committed and sufficient to deter recidivism or similar violations by other Participants, Authorized Traders, Authorized Users and Clearing Firms. Any such sanctions shall take into account the respondent's disciplinary history (if any) and, in the event of demonstrated customer harm, shall include full customer restitution.

(b) The Company may impose one or more of the following sanctions or remedies:

(1) A warning letter, provided that no more than one (1) warning letter may be issued to the same respondent found to have committed the same rule violation within a rolling twelve (12) month period;

(2) censure;

(3) limitation, restriction or qualification of Trading Privileges, ability to otherwise access the Trading System, and/or other activities, functions or operations;

(4) suspension, for a period not to exceed twelve (12) months, of Trading Privileges and/or ability to otherwise access the Trading System;

(5) termination of Trading Privileges and/or ability to otherwise access the Trading System;

(6) expulsion;

(7) a fine;

(8) restitution or disgorgement; or

(9) any other sanction or remedy deemed to be appropriate.

(c) The Company may impose a fine of up to $100,000 for each violation of a Rule. A Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders or Authorized Users.

(d) A Disciplinary Panel may order a respondent to pay some or all of the costs associated with the Disciplinary Proceedings, including costs that the Disciplinary Panel believes were unnecessarily caused by the respondent. Costs may include costs associated with the inquiry or investigation, the prosecution by the Company or Regulatory Services Provider, legal and professional assistance, the conduct of the hearing, and administrative and other expenses incurred by the Disciplinary Panel.

Rule 715. Appeal From Disciplinary Panel Decisions and Summary Actions (Other Than Summary Impositions of Fines)

(a) In the event that a respondent is found, pursuant to Rule 713, to have violated or to have attempted to violate a Rule:

(1) such respondent may appeal the decision within twenty (20) days of receiving the order of the Disciplinary Panel by filing a written notice of appeal with the Chief Compliance Officer.

(2) the Market Regulation Department may appeal all or any part of a decision of the Disciplinary Panel, including any sanctions that may or may not have been imposed by the Disciplinary Panel, within twenty (20) days of receiving the order of the Disciplinary Panel by filing a notice of appeal with the Chief Compliance Officer; and/or

(3) the Appeal Panel may, on its own initiative, order a review of any aspect of a decision by the Disciplinary Panel within twenty (20) days of the order of the Disciplinary Panel by filing a notice of appeal with the Chief Compliance Officer.

(b) While an appeal is pending, the effect of the order of the Disciplinary Panel (including any sanctions, remedies or costs imposed thereby) shall be suspended, except with respect to any denial or limit on Trading Privileges or ability to otherwise access the Company's Trading System.

(c) The notice of appeal must state in writing the grounds for appeal, including the findings of fact, conclusions or sanctions to which the respondent objects. A respondent may appeal the order of the Disciplinary Panel on the grounds that:

(1) the order was arbitrary, capricious, an abuse of discretion or not in accordance with the Rules; or

(2) the order exceeded the authority or jurisdiction of the Disciplinary Panel, the Chief Compliance Officer or the Company.

(d) The Company will forward copies of any notice of appeal received by it to all parties to the hearing before the Disciplinary Panel except the appellant. On or before the twentieth (20th) day after filing a notice of appeal, the appellant must file with the Chief Compliance Officer and serve on all other parties a brief supporting the notice of appeal and documents supporting the brief. On or before the twentieth (20th) day after the date on which the appellant serves supporting brief, the appellee must file and serve its brief in opposition with the Company. On or before the

tenth (10th) day after the date on which the appellee serves its brief in opposition, the appellant must file and serve a brief in reply with the Company.

(e) In connection with any appeal, the Company will furnish to the Chief Compliance Officer and to the respondent/appellant a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal and briefs filed to support and oppose the appeal.

(f) An Appeal Panel shall be composed of three (3) individuals that have been appointed by the Chief Compliance Officer, at least one (1) of whom shall be a Public Member. To the greatest extent practicable, the remaining two (2) members shall be from diverse industry participant groups so that no group or class of industry participants dominates or exercises a disproportionate influence on the Appeal Panel. If required by CFTC rules, the Appeal Panel chair shall not be disqualified from serving as a Public Director. No individual shall be selected to serve on the Appeal Panel for any Disciplinary Proceeding if such individual is an employee of the Company or has been involved in adjudicating any other stage of the same proceeding.

(g) If an individual selected is an Interested Person or if a member of the Appeal Panel later becomes an Interested Person, a replacement for such individual shall be selected by the Chief Compliance Officer. Except as may be otherwise provided in the Rules, the Board may at any time remove any member of an Appeal Panel for cause.

(h) All information, records, materials and documents provided to the Appeal Panel and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further a Company investigation or as otherwise agreed by law. No individual shall serve on an Appeal Panel unless that individual has agreed in writing that he or she will not publish, divulge, or make known in any manner facts or information regarding the business of any Person or other information which may come to his attention in his official capacity as a member of the Appeal Panel, except when reporting to the Board or to a Committee concerned with such information or to the Market Regulation Department, when requested by the CFTC or other Government Agency, or when compelled to testify in any judicial or administrative proceeding.

(i) Within ten (10) days of being notified of the appointment of the Appeal Panel, either party may seek to disqualify any individual named to the Appeal Panel for the reasons identified in Rule 206 by serving written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the parties will be deemed to have waived any objection to the composition of an Appeal Panel. The Chair of the Regulatory Oversight Committee will decide the merits of any request for disqualification within his or her sole discretion. Any such decision shall be final and not subject to appeal.

(j) The Appeal Panel may hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeal Panel may appoint an expert to attend any hearing and assist in the deliberations if such individuals agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeal Panel will not be bound by evidentiary or procedural rules or law.

(k) Except for procedural and evidentiary matters decided by the Appeal Panel pursuant to paragraph (j), unless such appellant otherwise consents, the entire Appeal Panel must be present in person during the entire appeal hearing and must be present, in person or by telephone, during any related deliberations.

(l) The Appeal Panel will only consider on appeal the record before the Disciplinary Panel, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeal Panel may only consider new evidence when the Appeal Panel determines that good cause exists as to why the evidence was not introduced during the disciplinary proceeding.

(m) After completing its review, the Appeal Panel may affirm, modify or reverse any order of the Disciplinary Panel under appeal, in whole or in part, including increasing, decreasing or eliminating any sanction or remedy imposed, imposing any other sanction or remedy authorized by the Rules, remanding the matter to the same or a different Disciplinary Panel for further disciplinary proceedings, or ordering a new hearing.

(n) As promptly as reasonably possible following its review, the Appeal Panel will issue a written decision based on the weight of the evidence before the Appeal Panel. The decision of the Appeal Panel shall meet the informational requirements of Rule 713(b).

(o) The Appeal Panel's written order will be the final action of the Company and will not be subject to appeal within the Company.

Rule 716. Summary Imposition of Fines

(a) The Chief Compliance Officer may summarily fine a Participant, Authorized Trader, Authorized User or Customer for failing to make timely and accurate submissions to the Company of notices, reports or other information required by the Rules or to keep books and records required by the Rules.

(b) The Company, acting on behalf of the Chief Compliance Officer, will give notice of any fine imposed pursuant to this Rule 716 to each Participant, Authorized Trader, Authorized User or Customer subject thereto. The notice will specify the violations of the Rules for which the fine is being imposed and the amount of the fine. The Participant, Authorized Trader, Authorized User or Customer as the case may be, shall pay or cause the payment of the fine within twenty (20) days of the date of notice.

(c) The Company shall establish, and from time to time revise, schedules of fines to be imposed pursuant to this Rule 716. Such schedules of fines shall provide for progressively larger fines for recurring violations, with the maximum fine not to exceed $5,000. Summary imposition of fines pursuant to this Rule 716 will not preclude the Company from bringing any other action against the Participant, Authorized Trader, Authorized User or Customer, as the case may be.

(d) Appeals of the summary imposition of fines imposed pursuant to this Rule 716 shall be heard by the Appeal Panel. The appellant shall be advised of its right to a prompt hearing before the Appeal Panel and its right to be represented, at its own cost, by legal counsel or any other representative at such hearing. The appellant may present evidence in support of its appeal. The

Appeal Panel's decision shall be final. The Appeal Panel shall not set aside, modify or amend the summary fines imposed unless the Appeal Panel determines by a majority vote that the decision to impose the fine was either:

(1) arbitrary, capricious, or an abuse of the Chief Compliance Officer's discretion; or

(2) in excess of the Chief Compliance Officer's authority or jurisdiction.

Rule 717. Summary Suspensions and Other Summary Actions

(a) Notwithstanding anything in the Rules to the contrary, the Chief Compliance Officer may, after consultation with the Regulatory Oversight Committee if practicable, summarily suspend, revoke, limit, condition, restrict or qualify a Participant's Trading Privileges and/or ability to otherwise access the Trading System, and may take other summary action against a Participant, Authorized Trader, Authorized User or Customer in accordance with the Rules (including any imposition of a fine under Rule 716) if the Chief Compliance Officer reasonably believes that immediate action is necessary to protect the best interests of the public or the Company.

(b) Where practicable, the Company shall provide prior written notice to the party against whom action in accordance with paragraph (a) is to be taken. If prior notice is not practicable, the Company will give notice at the earliest possible opportunity. Any such notice shall describe the action taken or to be taken by the Company, the reasons therefor, the effective date, time and duration thereof, and advise the recipient of the notice of its right to a prompt hearing before a Disciplinary Panel and its right to be represented by legal counsel or other representative at such hearing. A request by a Participant or other Person for such a hearing shall not delay the effectiveness of the summary action.

(c) At the request of the Company, a respondent against whom a summary action is brought pursuant to this Rule 717 shall provide books and records over which the respondent has access or Control and shall furnish information to, or appear or testify before, the Company and a Disciplinary Panel in connection with the enforcement of any Rule.

(d) If a hearing is requested pursuant to paragraph (b), the Disciplinary Panel will promptly convene a hearing to be conducted in accordance with Rule 712.

(e) As promptly as reasonably possible after the hearing, the Disciplinary Panel will issue to the respondent a written order based on the weight of the evidence affirming, modifying, or reversing the summary action. The order will include a description of the summary action taken, a summary of the evidence introduced at the hearing, a statement of findings of fact and conclusions, a description of any action taken or to be taken by the Company, and the effective date, time and duration thereof.

Rule 718. Rights and Responsibilities After Suspension or Termination

(a) With respect to a Participant, Authorized Trader or Authorized User whose Trading Privileges and/or ability to otherwise access the Trading System have been suspended, none of its

rights (including the right to hold oneself out to the public as a Participant, Authorized Trader or Authorized User, enter Orders into the Trading System and originate or respond to Requests for Quotes) will apply during the period of the suspension, except for the right of the Participant, Authorized Trader or Authorized User in question to assert a claim as provided in Chapter 8. Any such suspension will not relieve the Participant, Authorized Trader or Authorized User in question of its, his or her obligations under the Rules to perform any obligation incurred prior to the suspension, or for any Company fees, costs, or charges incurred during the suspension. The Company may discipline a suspended Participant, Authorized Trader or Authorized User under this Chapter 7 for any violation of a Rule committed by the Participant, Authorized Trader or Authorized User before, during or after the suspension.

(b) When a Participant's, Authorized Trader's or Authorized User's Trading Privileges and/or ability to otherwise access the Trading System are terminated, all of its, his or her related rights will terminate, except for the right of the Participant, Authorized Trader or Authorized User in question to assert a claim as provided in Chapter 8.

(c) A suspended or terminated Participant, Authorized Trader or Authorized User remains subject to the Rules and the jurisdiction of the Company for acts and omissions prior to the suspension or termination, and must cooperate in any Disciplinary Proceeding or appeal of Disciplinary Proceedings as if the suspended or terminated Participant, Authorized Trader or Authorized User still had Trading Privileges or ability to otherwise access the Trading System.

Rule 719. Notice of Disciplinary Proceedings

The Company will provide written notice of final decisions in Disciplinary Proceedings to the parties to the Disciplinary Proceeding consistent with applicable CFTC Regulations and the Rules. Whenever the Company suspends, expels, fines or otherwise disciplines or denies any Person access to the Company, the Company will make any public disclosures required by CFTC Regulations.

Rule 720. Regulatory Services Provider

(a) Any of the functions of the Company under Chapter 4 and Chapter 5 or this Chapter 7 may be performed by a Regulatory Services Provider pursuant to a delegation of such functions by the Company to such Regulatory Services Provider, and references to the Company shall in such circumstances be deemed to be references to such Regulatory Services Provider. The Company may provide information regarding any Participant, Authorized Trader or Authorized User to the Regulatory Services Provider in connection with the performance by the Regulatory Services Provider of those functions. A failure to comply with a request or direction from the Regulatory Services Provider shall be deemed to be a failure to comply with a request or direction from the Company.

(b) The Company shall retain exclusive authority over all substantive decisions made by the Regulatory Services Provider (including decisions involving the cancellation of trades, the issuance of disciplinary charges, suspensions or terminations of Trading Privileges and/or ability to otherwise access the Trading System) and will document instances where its actions differ in any material respect from those recommended by the Regulatory Services Provider.

(c) The Company shall retain ultimate decision-making authority with respect to any functions that are performed by a Regulatory Services Provider, including the reasons for the course of action recommended by the Regulatory Services Provider.

CHAPTER 8. ARBITRATION RULES

Rule 801. General

(a) Participants, Authorized Traders, Authorized Users, Customers and other Persons subject to the Company's jurisdiction shall arbitrate through NFA's arbitration program all disputes, controversies or claims between or among themselves that relate to or arise out of any Swap or otherwise arise out of one or more transactions made or alleged to have been made on the Trading System or subject to the Rules and that are based upon facts and circumstances that occurred at a time when the parties were Participants, Authorized Traders, Authorized Users, Customers or otherwise subject to the Company's jurisdiction.

(b) Notwithstanding the foregoing, this Chapter 8 does not apply to disputes between Participants, Authorized Traders, Authorized Users, Customers and other Persons subject to the Company's jurisdiction that: (i) such Persons are required by the rules of a Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory Organization; or (ii) that such Persons have, by valid and binding agreement, committed to negotiate or litigate in a forum other than NFA.

(c) Notwithstanding the foregoing, this Chapter 8 does not require arbitration of claims alleging employment discrimination (including sexual harassment) in violation of Applicable Law.

Rule 802. Forum and Arbitration Rules

NFA will conduct arbitrations described in this Chapter 8 pursuant to NFA's Member Arbitration Rules, as if each party to such arbitration was an "NFA Member," and references in the Member Arbitration Rules to an "Associate" of an "NFA Member" shall mean and include an Authorized User.

Rule 803. Initiating an Arbitration Claim

(a) A Participant, Authorized Trader, Authorized User, Customer or other Person subject to the Company's jurisdiction may initiate an arbitration claim by submitting the required documents and fees to the NFA.

(b) A Participant, Authorized Trader, Authorized User, Customer or other Person submitting an arbitration claim shall provide written notice of such claim to the Company.

Rule 804. Claims Relating to Trade Cancellations or Price Adjustments

All claims relating to trade cancellations or price – adjustments pursuant to Rule 527 shall be arbitrated in accordance with this Chapter 8.

Rule 805. Penalties

(a) Any failure by a Participant, Authorized Trader or Authorized User subject to the Company's jurisdiction to arbitrate a dispute subject to this Chapter 8, or the commencement by such a Person of a suit in any court prior to arbitrating a case subject to this Chapter 8, shall

constitute a violation of these Rules and shall subject such Participant to disciplinary proceedings pursuant to Chapter 7. A Participant, Authorized Trader or Authorized User that does not arbitrate a dispute through the NFA Arbitration Program as provided in Rule 801(b) or Rule 801(c) shall not be deemed to have violated these Rules.

(b) The Company may summarily suspend, pursuant to Rule 717, a Participant, Authorized Trader or Authorized User that fails to timely satisfy an arbitration award rendered in any arbitration conducted pursuant to this Chapter 8.

CHAPTER 9. MISCELLANEOUS

Rule 901. Legal Certainty

No Swap listed for trading on the Trading System shall be void, voidable, subject to rescission or otherwise invalidated or rendered unenforceable as a result of either: (1) any violation by the Company of any provision of the CEA or CFTC Regulations; or (2) any action taken by the CFTC that has the effect of amending, altering or supplementing the Rules or any of the terms or conditions of a Swap listed for trading on the Trading System.

Rule 902. Trading by Company Officials Prohibited; Misuse of Material, Non-Public Information

(a) No Company Official may trade, directly or indirectly any Swap or any commodity interest related thereto.

(b) No member of the Board, member of any Committee, Disciplinary Panel Member or Appeal Panel Member (each, a "Covered Person") and no Company Official may trade, directly or indirectly any Swap, any Swap traded on another swap execution facility or other market, or any commodity interest related thereto where such Covered Person or Company has access to material non-public information concerning such Swap or commodity interest that was obtained as a result of the individual's duties and responsibilities as a Covered Person or Company Official, as applicable. Participation by a Company Official in a retirement plan sponsored by the Company shall not be deemed to constitute trading directly or indirectly in a Swap or commodity interest, notwithstanding such plan's trading of swaps or commodity interests.

(c) The Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) may grant exemptions from the provisions of paragraph (a) to Company Officials on a case-by-case basis under circumstances that are not contrary to the purposes of this Rule and CFTC Regulation 1.59. Such circumstances may include, but are not necessarily limited to:

(1) participation in pooled investment vehicles where such Company Official has no direct or indirect control over transactions effected by or for the account of the pool;

(2) service by such Company Official as an executor or administrator of an estate;

(3) service by such Company Official in any other fiduciary capacity, such as an officer of a charitable organization, in which such Company Official receives no pecuniary benefit from the trading of Swaps or other commodity interests; and

(4) such other circumstances as the Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) may determine.

(d) Any Company Official that has received an exemption under paragraph (c) must:

(1) furnish to the Company (or, in the case of the Chief Compliance Officer, to the Board) account statements and other documents relevant to the trading activities that are so exempted; and

(2) inform the Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) within one Business Day of any material change of information that may affect such Company Official's qualification for such exemption.

(e) Covered Persons and Company Officials are prohibited from using or disclosing disclose for any purpose other than the performance of their official duties and responsibilities material non-public information obtained as a result of their employment, agency relationship or engagement with the Company where the Covered Person or Company Official expected or should have reasonably expected that the information disclosed may assist a Person in trading any Swap, any swap traded on another swap execution facility or other market, or any commodity interest related thereto. Notwithstanding the foregoing, Covered Persons and Company Officials may disclose material, non-public information if required by law or a court order.

(f) Terms used in this Rule 902 and not otherwise defined in the Rules shall have the meaning set forth in CFTC Regulations 1.3 and 1.59.

Rule 903. Proprietary Information; Use of Market Data

(a) By accessing the Company, each Participant, Authorized Trader, Authorized User, ISV, Customer or other Person subject to the Company's jurisdiction hereby acknowledges and agrees that the Company owns and shall retain all right, title and interest in and to the Trading System, all components thereof, including all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including all registered or unregistered, as applicable (a) copyright, (b) trade mark, (c) service mark, (d) trade secret, (e) trade name, (f) data or database rights, (g) design rights, (h) moral rights, (i) inventions, whether or not capable or protection by patent or registration, (j) rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, (k) patent, and (l) other intellectual property and ownership rights, including applications for the grant of any of the same, in or to the Trading System and all other related proprietary rights of the Company and/or any of its Affiliates (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind transmitted by means of any of the foregoing, including the Market Data, the "Proprietary Information"). Each Participant, Authorized Trader, Authorized User, ISV, Customer and other Person subject to the Company's jurisdiction further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of the Company. Each Participant, Authorized Trader, Authorized User, ISV, Customer and other Person subject to the Company's jurisdiction acknowledges and agrees that it shall not and shall not permit other Persons affiliated it to, reverse engineer, copy, bug fix, correct, update, transfer, reproduce, republish, broadcast, create derivative works based on or otherwise modify, in any manner, all or any part of the Trading System or the Proprietary Information. Each Participant, Authorized Trader, Authorized User, ISV, Customer and other Person subject to the Company's jurisdiction further agrees to keep, and to cause each of its employees and agents to keep Proprietary Information confidential and not to transfer, lease,

loan, sell or distribute, directly or indirectly, all or any portion of the Trading System or any Proprietary Information except as may be expressly permitted in writing by the Company or in accordance with Rule 904 as if references therein to the Company were references to any of the foregoing Persons.

(b) Notwithstanding any other provision of this Rule 903, each Participant and each Authorized Trader retains such rights as it may enjoy under Applicable Law with respect to Market Data solely in the form such Market Data was submitted to the Trading System by such Participant or Authorized Trader or their respective Authorized Users.

(c) Each Participant and each Authorized Trader hereby grants the Company a non-exclusive, perpetual, freely transferable, world-wide and royalty-free license to use, distribute, sub-license, disclose and sell Market Data, in any manner, media and jurisdiction, for the benefit of the Company and/or its Affiliates; provided that, except as may otherwise be permitted by Rule 904 or in any written agreement between the Company and such Participant or Authorized Trader, the Company shall not (i) for itself or its Affiliates, use such Market Data to compete directly with the Participant or Authorized Trader, or (ii) attribute such Market Data to the Participant or Authorized Trader or otherwise identify the Participant or Authorized Trader.

~~(c)~~(d) The Company shall not use for business or marketing purposes any proprietary data or personal information it collects or receives, from or on behalf of any Person, for the purpose of fulfilling the Company's regulatory obligations; provided, however, that the Person from whom it collects or receives such data or information consents in writing to the Company's use of such data or information in such manner. The Company may share such information with one or more Swap Execution Facilities, designated contract markets, or the CFTC for regulatory purposes as required under Applicable Law.

~~(d) Unless otherwise agreed in the Participant Agreement, each Participant hereby consents to the use for business or marketing purposes of proprietary data and personal information that is collected or received from or on behalf of such Participant, its Authorized Traders and its and their Authorized Users for the purpose of fulfilling the Company's regulatory obligations.~~

(e) Each Participant and Authorized Trader acknowledges and agrees that the Company may disclose and disseminate swap transaction and pricing data relating to trades executed on the Trading System or reported to the Company in accordance with Chapter 6 to other Persons with access to the Trading System; provided that such dissemination and disclosure is made no earlier than the Company's transmittal of such data to a Swap Data Repository.

Rule 904. Confidentiality

Except as provided in Rule 903, all non-public information provided to the Company by a Participant, Authorized Trader or Authorized User shall be held in confidence and shall not be made known to any other Person except as follows:

(a) with the consent of the Participant, Authorized Trader or Authorized User providing such information;

(b) to a Government Agency or the regulatory authority of any foreign jurisdiction, if the Company is requested or legally required to do so by such Government Agency;

~~(b)~~(c) to the CFTC;

~~(c)~~(d) pursuant to legal process;

~~(d)~~(e) to a Derivatives Clearing Organization of which such Participant is a member or in connection with the clearing of a Swap;

~~(e)~~(f) to a Swap Data Repository or other registered entity (as such term is defined in CFTC Regulations);

~~(f)~~(g) subject to appropriate confidentiality requirements, to any Person providing services to the Company, including the Regulatory Services Provider;

~~(g)~~(h) with respect to Market Data, in accordance with Rule 903(c);

~~(h)~~(i) pursuant to an information-sharing agreement or other arrangement or procedures in accordance with Rule 906; and

~~(i)~~(j) to the Board, any Committee, Company Officials, attorneys and auditors, and to agents and independent contractors that have been engaged by the Company who require such information in connection with the discharge of their duties to the Company; and

~~(j)~~(k) as otherwise expressly permitted under the Rules.

Rule 905. Recording of Communications

The Company and/or the Regulatory Services Provider may record conversations and retain copies of electronic communications between Company Officials and Participants, Authorized Traders, Authorized Users and Clearing Firms, and Participants, Authorized Traders, Authorized Users and Clearing Firms may record conversations and retain copies of electronic communications between them and Company Officials. Any such recordings made by the Company may be retained by the Company and/or the Regulatory Services Provider in such manner and for such periods of time as the Company may deem necessary or appropriate, including as may be required by Applicable Law, but the Company assumes no obligation to Participants, Authorized Traders, Authorized Users or Clearing Firms to retain any such recordings. The Company and/or the Regulatory Services Provider may disclose such recordings as required by Applicable Law or regulation or upon the request of any Government Agency. This Rule 905 shall be deemed to constitute the consent of each Participant, Authorized Trader, Authorized User and Clearing Firm to such recording and a waiver of any tone or other notice requirement in the State or country of such Person's residence, place of organization or place of business.

Rule 906. Information-Sharing Agreements

(a) The Company may enter into information-sharing agreements or other arrangements or procedures to coordinate surveillance with other markets and with clearing

organizations on which Swaps and related financial instruments are traded or cleared. As part of any such information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, the Company may:

(1) provide market surveillance reports to other markets and to clearing organizations;

(2) share information and documents concerning current and former Participants, Authorized Traders and Authorized Users with other markets and clearing organizations;

(3) share information and documents concerning ongoing and completed Disciplinary Proceedings with other markets and clearing organizations; and/or

(4) require Participants and Authorized Traders to provide information and documents to the Company at the request of other markets or clearing organizations with which the Company has an information-sharing agreement or other arrangements or procedures.

(b) The Company may enter into any arrangement with any Person or body (including the NFA, any Self-Regulatory Organization, any exchange, market, clearing organization, or foreign regulatory authority, data repository or third-party reporting services) if the Company considers such arrangement to be in furtherance of the Company's purpose or duties under the Rules or any law or regulation.

Rule 907. Force Majeure

Notwithstanding any other provision of the Rules, any delay in or failure by the Company to perform its obligations under the Rules or any agreement with a Participant (including exhibits and schedules thereto) will not be considered a breach and will be excused to the extent that such delay or failure is caused by any event beyond the reasonable control of the Company, including, without limitation, acts of God, acts of civil or military authorities, strikes or other labor disputes, fire or other natural disasters, interruption in telecommunications, power outages, and governmental restrictions.

Rule 908. Extension or Waiver of Rules

The Company may, in its sole discretion, waive, or extend the time period for performing, any act or acts designated by the Rules, but only to the extent such waiver or extension is not inconsistent with the CEA or CFTC Regulations.

Rule 909. Effect of Amendment, Repeal or New Rule

The Company may, in compliance with the CEA and CFTC Regulations, amend or repeal any Rule and/or adopt new Rules. Any such amendment or repeal of a Rule or adoption of a new Rule, shall, upon the effective date of such amendment, repeal or adoption, as applicable, be binding on all Persons subject to the jurisdiction of the Company (regardless of when any such

Person became subject to the Company's jurisdiction) and all Swaps (regardless of whether any such Swap was entered into before, on or after such effective date).

Rule 910. Signatures

Rather than rely on an original signature, the Company may elect to rely on a signature that is transmitted, recorded or stored by any electronic, optical, or similar means (including telecopy, imaging, photocopying, electronic mail, electronic data interchange, telegram or telex) as if it were (and the signature shall be considered and have the same effect as) a valid and binding original.

Rule 911. Governing Law; Legal Proceedings

(a) The Rules, and the rights and obligations of the Company, Participants, Authorized Traders and Authorized Users under the Rules, shall be governed by, and construed in accordance with, the laws of the state of New York applicable to contracts executed and performed wholly within the state of New York, without regard to any provisions of New York law that would apply the substantive law of a different jurisdiction.

(b) Subject to Rule 528, any action, suit or proceeding against the Company, its Officers, Directors, employees, agents, or any member of any Committee must be brought with in one (1) year from the time that a cause of action has accrued. Any such action, suit or proceeding shall be brought in the State or Federal courts located within Borough of Manhattan in the city of New York. Each Participant and Authorized Trader expressly consents, for itself and its Authorized Users, to the jurisdiction of any such court, waives any objection to venue therein, and waives any right it may have to a trial by jury.

(c) In the event that a Participant or an Authorized Trader who fails to prevail in a lawsuit or other legal proceeding instituted by such Participant or such Authorized Trader against (i) the Company or (ii) any Affiliate of the Company or any of their respective officers, directors, equity holders, employees, agents, or any member of any Committee, and related to the business of the Company, such Participant or Authorized Trader shall pay to the Company all reasonable expenses, including attorneys' fees, incurred by the Company in the defense of such proceeding. This paragraph (c) shall not apply to Company disciplinary actions, appeals thereof, or an instance in which the Board has granted a waiver of the provisions hereof.

Rule 912. Emergencies

(a) During an Emergency, the Board may implement temporary emergency procedures and rules ("Emergency Rules"), subject to applicable provisions of the CEA and CFTC Regulations. If the Chief Executive Officer determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, the Chief Executive Officer shall have the authority, without Board action, to implement Emergency Rules with respect to such Emergency as he or she deems necessary or appropriate to respond to such Emergency. The Company also may take such other action as may be directed by the CFTC in response to an Emergency.

(b) Emergency Rules may require or authorize the Company, the Board, any Committee, the Chief Executive Officer or any other Officer to take actions necessary or appropriate to respond to the Emergency, including:

(1) suspending or curtailing trading or limiting trading to liquidation only (in whole or in part);

(2) extending, limiting or changing expiration dates or trading hours for one or more Swaps;

~~(2)~~(3) ordering the fixing of a settlement price;

~~(3)~~(4) ordering the liquidation or transfer of Swaps or the reduction of positions;

~~(4)~~(5) temporarily modifying or suspending any provision of the Rules;

~~(5)~~(6) requiring additional margin to be collected from Customers;

~~(6)~~(7) imposing or modifying price limits, position limits or intraday market restrictions;

~~(7)~~(8) in coordination with applicable Derivatives Clearing Organizations, transferring Customer Swaps and related margin and/or altering any Swap's settlement terms or conditions; and/or

~~(8)~~(9) providing for the carrying out of any actions under this Rule 912(b) by the Regulatory Services Provider.

(c) The Company will use reasonable efforts to notify the CFTC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not practicable, the Company will notify the CFTC as soon as reasonably practicable, but in all circumstances within twenty-four (24) hours of the implementation, modification or termination of such Emergency Rule.

(d) Whenever the Company takes action to respond to an Emergency it will, where practicable, ensure that prompt notice is given to Participants.

(e) When the Company determines that the Emergency has been reduced sufficiently to allow the Company to resume normal functioning, any such actions will be modified or terminated, as appropriate.

(f) Upon taking any action in response to an Emergency, the Company shall document the decisions and deliberations related to such action. Such documentation will be maintained for at least five (5) years following the date on which the Emergency ceases to exist or to affect the Company, and all such documentation will be provided to the CFTC upon request.

CHAPTER 10. CLEARING

Rule 1001. Clearing Firm Requirements

Except as otherwise provided in Rule 1004, a Clearing Firm that seeks to effect transactions on the Trading System for its own account or the account of any other Person must be a Participant.

Rule 1002. Submission of Swaps to Derivatives Clearing Organization

Swaps executed on or through the Trading System that are required to be cleared under Section 2(h) of the CEA or that are voluntarily cleared by the counterparties to such Swap shall be cleared through a Derivatives Clearing Organization.

Rule 1003. Clearing Firm Guarantee

(a) Each Participant that is not a Clearing Firm must obtain prior authorization from a Clearing Firm that will guarantee Participant's transactions in Swaps that are intended to be cleared, or enter into an appropriate arrangement with a Person that has such an authorization from a Clearing Firm. Each such guarantee or other arrangement must be in form and substance satisfactory to, and approved by, the Company. A Clearing Firm must guarantee and assume financial responsibility for all Swaps of each Participant guaranteed by it. Where such Participant utilizes the services of multiple Clearing Firms, a Clearing Firm shall only be responsible to the extent that it has been designed to clear a particular transaction.

(b) A Clearing Firm may at any time revoke any authorization granted and guarantee made by it to any Participant in accordance with paragraph (a) above, by providing written notice of such revocation to the Company. The guarantee will remain in effect until the non-Clearing Firm has liquidated or transferred all its Customer and proprietary positions and funds, as applicable, to another Clearing Firm.

Rule 1004. Responsibility of Participants

Each Participant must assist its Clearing Firm and the Derivatives Clearing Organization in the clearing of its transactions in Swaps.

Rule 1005. Liquidation of Positions by Clearing Firms

A Clearing Firm that is not also a Participant may trade an account on behalf of another Person solely for the purpose of liquidating Swaps carried by such Clearing Firm on behalf of a Person that has failed to perform its obligations to such Clearing Firm.

Rule 1006. Rules of the Derivatives Clearing Organization

The clearing services provided by the Derivatives Clearing Organization with respect to any Swap, and the rights and obligations of purchasers and sellers under cleared Swaps (including rights and obligations in respect of clearing and settlement, variation payments and performance at maturity), will be governed by the rules of the Derivatives Clearing Organization.