AQUA-INDEX EXCHANGE, LLC
216 West Jackson Blvd
Suite 400
Chicago, IL 60606

May 27, 2015

Via E-mail

Mr. Christopher J. Kirkpatrick, Esq.
Secretary,
Commodity Futures Trading Commission,
Three Lafayette Centre,
1155 21st Street, N.W.,
Washington, D.C. 20581.

Re: Application for Designation as a Contract Market by AQUA-INDEX EXCHANGE, LLC

Dear Mr. Kirkpatrick:

On behalf of AQUA-INDEX EXCHANGE, LLC ("AIX"), enclosed please find an application for AIX to be designated as a contract market pursuant to Section 5 of the Commodity Exchange Act, as amended (the "Act"), and Part 38 of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission") thereunder. In addition to this transmission letter and the petition for confidential treatment discussed further below, the application includes the following items (collectively with the letter and petition, the "Submission"):

1. Form DCM
2. Exhibit A (ownership information);
3. Exhibit B (officer and director information);
4. Exhibit C (fitness standards; composition of board);
5. Exhibit D (organizational structure);
6. Exhibit E (personnel qualifications);
7. Exhibit F (staffing requirements);
8. Exhibit G (organizational documents);
9. Exhibit H (legal proceedings);
10. Exhibit I (financial information);
11. Exhibit J (affiliates' financials);
12. Exhibit K (dues and fees);

13. Exhibit L (core principles compliance chart);

14. Exhibit M (rulebook for AIX (the "Rulebook"));

15. Exhibit N (executed and executable agreements);

16. Exhibit O (compliance manual);

17. Exhibit P (disciplinary tools and procedures);

18. Exhibit Q (matching algorithm with examples);

19. Exhibit R (rules prohibiting trade practice violations);

20. Exhibit S (maintenance of trading data);

21. Exhibit T (clearing arrangements);

22. Exhibit U (information subject to confidentiality request); and

23. Exhibit V (technology questionnaire).

AIX is submitting simultaneously a petition for confidential treatment of the Submission (except for this transmission letter, the petition for confidential treatment, Form DCM, Exhibit G, Exhibit L and Exhibit M thereof) pursuant to Section 8(a) of the Act and Section 145.9(d) of the Commission's regulations promulgated under the Act, a copy of which is enclosed with this letter. Pursuant to Section 8(a) of the Act and Section 145.9(d) of the Commission's regulations promulgated under the Act, AIX requests confidential treatment of this Submission as well as all other enclosures, files, data and material submitted herewith on the grounds that disclosure of the Submission would reveal trade secrets or confidential commercial information of AIX. In addition to violating AIX's proprietary rights, the disclosure of the Submission, would grant competitors an unfair competitive advantage or compromise the competitive advantages possessed by AIX.

AIX further requests that this transmission letter not be disclosed in response to any request under the Freedom of Information Act, 5 U.S.C. § 552. In the event that this letter is the subject of a Freedom of Information Act request, please inform me, and I will provide further substantiation of AIX's request for confidential treatment.

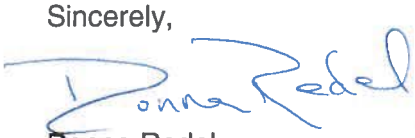
Please contact Donna Redel or Kenneth M. Raisler using the information below if you have any questions regarding this Submission.

Donna Redel
Phone: (212) 737-2956

Kenneth M. Raisler
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Phone: (212) 558-4675

Thank you for your assistance.

Sincerely,



Donna Redel
Chief Executive Officer
AQUA-INDEX EXCHANGE, LLC

(Enclosures)

cc: Yaacov Shirazi
Gerald L. Fishman
(AQUA-INDEX EXCHANGE, LLC)

Kenneth M. Raisler
David J. Gilberg
(Sullivan & Cromwell LLP)

COMMODITY FUTURES TRADING COMMISSION

FORM DCM

APPLICATION OR AMENDMENT TO APPLICATION FOR DESIGNATION AS A DESIGNATED CONTRACT MARKET

Exact name of Applicant as specified in charter: AQUA-INDEX EXCHANGE, LLC

Address of principal executive offices: 216 West Jackson Blvd., Suite 400, Chicago, IL 60606

■ If this is an APPLICATION for designation, complete in full and check here.

□ If this is an AMENDMENT to an application, or to an existing designation, list all items that are amended and check here.

GENERAL INFORMATION

1. Name under which the business of the designated contract market will be conducted, if different than name specified on facing sheet: N/A

2. If name of designated contract market is hereby amended, state previous designated contract market name: N/A

3. Mailing address, if different than address specified on facing sheet: N/A

3(a). Additional contact information:

FAX: N/A

Phone: (312) 371-3229

Website: N/A

4. List of principal office(s) and address(es) where designated contract market activities are/will be conducted:

Office	Address
Business Office	216 West Jackson Blvd., Suite 400, Chicago, IL 60606

BUSINESS ORGANIZATION

5. Applicant is a:

- ☐ Corporation
- ☐ Partnership
- ■ Limited Liability Company
- ☐ Other form of organization (specify)

6. If Applicant is a corporation, provide date and state of incorporation: N/A

7. If Applicant is a partnership, provide date and state of filing of partnership articles: N/A

8. If Applicant is a limited liability company, provide date and state of filing of Articles of Organization/Certificate of Formation: The Articles of Organization of AQUA-INDEX EXCHANGE, LLC were filed in Illinois on March 2, 2015

9. Applicant agrees and consents that the notice of any proceeding before the Commission in connection with its application for designation as a contract market may be given by sending such notice by certified mail or confirmed telegram to the officer specified or person named below at the address given.

Name of person (if Applicant is a corporation, limited liability company or partnership, title of officer)

Name of Applicant: AQUA-INDEX EXCHANGE, LLC

Notice of any proceeding should be provided to: Kenneth M. Raisler

Number and Street: c/o Sullivan & Cromwell LLP, 125 Broad Street

City: New York State: NY Zip Code: 10004

SIGNATURES

10. The Applicant has duly caused this application or amendment to be signed on its behalf by the undersigned, hereunto duly authorized, this 27th day of May, 2015. The Applicant and the undersigned represent that all information contained herein is true, current and complete. It is understood that all required items and Exhibits are considered integral parts of this Form DCM and that the submission of any amendment represents that all unamended items and Exhibits remain true, current, and complete as previously filed.

Name of Applicant: AQUA-INDEX EXCHANGE, LLC

Donna Redel

Manual signature of Member, General Partner, Managing Agent, or Principal Agent

CEO

Title

EXHIBIT G

Appended hereto are the organizational documents of AQUA-INDEX EXCHANGE, LLC, which consist of the following:

1. Articles of Organization of AQUA-INDEX EXCHANGE, LLC (March 2, 2015), appended as Exhibit G-1;

2. Operating Agreement of AQUA-INDEX EXCHANGE, LLC (March 2, 2015), appended as Exhibit G-2; and

3. AQUA-INDEX EXCHANGE, LLC Regulatory Oversight Committee Charter, appended as Exhibit G-3.

Also find appended hereto as Exhibit G-4 a certificate of good standing for AQUA-INDEX EXCHANGE, LLC (May 22, 2015), dated within one week of the date of this Form DCM.

Exhibit G-1

Articles of Organization of AQUA-INDEX EXCHANGE, LLC (March 2, 2015)

File Number 0516683-7

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ATTACHED HERETO IS A TRUE AND CORRECT COPY, CONSISTING OF 1 PAGE(S), AS TAKEN FROM THE ORIGINAL ON FILE IN THIS OFFICE FOR AQUA-INDEX EXCHANGE, LLC.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 26TH *day of* MAY *A.D.* 2015 .

Jesse White

SECRETARY OF STATE

Authentication #: 1514600371 verifiable until 05/26/2016.
Authenticate at: http://www.cyberdriveillinois.com

Form **LLC-5.5**

Illinois
Limited Liability Company Act
Articles of Organization

FILE # 05166837

Secretary of State Jesse White
Department of Business Services
Limited Liability Division
www.cyberdriveillinois.com

Filing Fee: $500
Expedited Fee: $100
Approved By: TLB

FILED
MAR 02 2015
Jesse White
Secretary of State

1. Limited Liability Company Name: AQUA-INDEX EXCHANGE, LLC

2. Address of Principal Place of Business where records of the company will be kept:
216 WEST JACKSON BOULEVARD

CHICAGO, IL 60606

3. Articles of Organization effective on the filing date.

4. Registered Agent's Name and Registered Office Address:

GERALD L. FISHMAN, ESQ.
216 WEST JACKSON BLVD.
CHICAGO, IL 60606

5. Purpose for which the Limited Liability Company is organized:
"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."

6. The LLC is to have perpetual existence.

7. The Limited Liability Company is managed by the manager(s).

AQUA-INDEX HOLDINGS CORP.
CT CORP., 1209 ORANGE ST.
WILMINGTON, DE 19801

8. **Name and Address of Organizer**
I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated: MARCH 02, 2015

GERALD L. FISHMAN
216 WEST JACKSON BLVD. #400
CHICAGO, IL 60606

This document was generated electronically at www.cyberdriveillinois.com

Exhibit G-2

Operating Agreement of AQUA-INDEX EXCHANGE, LLC (March 2, 2015)

OPERATING AGREEMENT
OF
AQUA-INDEX EXCHANGE, LLC

This OPERATING AGREEMENT OF AQUA-INDEX EXCHANGE, LLC, an Illinois limited liability company (this "**Agreement**"), is made and entered into as of March 2, 2015, by and among Aqua-Index Holdings Corp., a Delaware corporation ("**AIH**") and any other members set forth on **Exhibit "A"** attached hereto, as such Exhibit "A" may be amended from time to time pursuant to the terms of this Agreement (hereinafter, each sometimes referred to individually as a "**Member**" and collectively as the "**Members**").

W I T N E S S E T H:

WHEREAS, Aqua-Index Exchange, LLC (the "**Company**") was formed pursuant to the Limited Liability Company Act of the State of Illinois, having filed Articles of Organization with the Secretary of State for the State of Illinois on March 2, 2015, (file # 05166837); and

WHEREAS, the Members desire to form the Company for the purposes set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members agree as follows:

ARTICLE I

GENERAL

1.01 Statutory Authority. The Company was formed as a limited liability company upon the filing of its Articles of Organization with the Secretary of State for the State of Illinois on March 2, 2015 and the Members agree that the Company shall be governed by the terms of this Agreement and pursuant to the Illinois Limited Liability Company Act, as amended (the "**Act**").

1.02 Name. The business of the Company shall be conducted under the name "**Aqua-Index Exchange, LLC**" or such other name as the Board (as defined in Section 3.01 below) may hereafter select.

1.03 Principal Place of Business. The initial business office of the Company shall be located at 216 West Jackson Blvd., Suite 400, Chicago, Illinois 60606, or at such other place or places as may be designated by the Board from time to time.

1.04 Registered Agent. The initial registered agent of the Company shall be Gerald L. Fishman, 216 West Jackson Blvd., Suite 400, Chicago, Illinois 60606. The Board may at any time change the registered agent. Upon the change of the registered agent, by death, incapacity, removal, resignation or otherwise, the Board shall, within thirty (30) days after such removal or resignation file an amendment to the Articles of Organization of the Company or such other document as may be required by the Act.

1.05 Registered Office. The initial registered office of the Company shall be: c/o Gerald L. Fishman, 216 West Jackson Blvd., Suite 400, Chicago, Illinois 60606. The Board may at any time change the registered office of the Company and shall in each instance file an amendment to the Articles of Organization of the Company or such other document as may be required by the Act.

1.06 Term. The term of the Company shall commence on the date of the filing of the Articles of Organization of the Company with the Secretary of State of the State of Illinois and shall be perpetual unless sooner terminated by the unanimous vote of all of the Members to dissolve, wind up and liquidate the Company or in accordance with the provisions hereof.

1.07 Purpose of the Company. The purpose of the Company shall be the development and operation of a marketplace for trading of financial products using methods and systems that utilize prices of water as the bases thereof, with international price discovery and transparency. The Company may enter into any kind of lawful activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Company, including (i) establishing, implementing and operating, subject to the approval and requirements of the Commodity Futures Trading Commission ("**CFTC**") or other similar applicable governmental authority, a central marketplace or places, electronic or otherwise, for such financial products, and (ii) borrowing money and assuming indebtedness in connection with such purposes.

ARTICLE II

CONTRIBUTIONS AND PERCENTAGE INTERESTS

2.01 Contributions by the Members. The Members shall contribute to the capital of the Company property in an amount equal to the amount set forth on Exhibit A of this Agreement and designated "**Contribution Amount**."

2.02 Percentage Interests.

(a) The Members shall have the Percentage Interests allocated among them as shown on Exhibit A, which Exhibit shall be amended from time to time by the Board to reflect changes in Percentage Interests among the Members and their transferees.

(b) The initial Percentage Interest of each Member shall be that proportion expressed as a percentage, calculated by dividing such Members' Initial Capital Contribution set forth on Exhibit A by the aggregate of the Initial Capital Contributions of all Members and multiplying the quotient thus obtained by 100. Thereafter, the Percentage Interests of the Members shall be adjusted from time to time.

(c) For purposes of this Agreement, the term "**Member Interest**" shall mean the Percentage Interest of a Member in a particular membership class, and the term "**Company Interest**" shall mean a Percentage Interest in the Company.

2.03 Interest. No Member shall be entitled to interest upon his/her/its contribution to the capital of the Company or upon any undistributed profits of the Company.

2.04 Assessments. No Member shall be required to make any contribution to the capital of the Company other than as provided in Sections 2.01 and 2.02 hereof (subject to the provisions of Section 2.07).

2.05 Withdrawal of Capital. Except as otherwise set forth in this Agreement, no Member shall be entitled to the return of all or any part of his or her contribution to the capital of the Company, and no Member shall have any priority right over any other Member with respect to the return of his or her capital contribution.

2.06 Illinois Personal Property Tax Replacement Income Tax. The amount of any Illinois Personal Property Tax, Replacement Income Tax or any other tax assessed which is required to be paid by the Company with respect to any Member's allocable share of the taxable income of the Company shall not be deducted in determining cash flow but shall be debited to the capital account of such Member. The amount of such payment shall be deducted from the cash flow distributions, if any, otherwise due to be paid to such member to the extent thereof, and the Company shall assess such Member for any excess, which shall then be paid by such Member to the Company forthwith. Each of the Members hereby indemnify the Company and the Board and agree to hold them harmless from any liability or loss they might incur by virtue of the assessment of any such tax with respect to such Member's allocable share of the taxable income of the Company.

2.07 Capital Call. The Members may from time to time contribute additional capital (excluding the Initial Capital Contribution) in such aggregate amount (the "**Capital Call**") as the Board determines to be necessary for the working capital or other purposes of the Company. Each Member shall contribute an amount equal to the product of the Capital Call multiplied by the Percentage Interest of that Member. Upon approval of a Capital Call, the Board will issue notice to each Member of the amount of additional capital contribution required and the date by which it is to be paid to the Company. Any Member who fails to satisfy a Capital Call (the "**Defaulting Member**") may be subject to the following:

(i) The Member or Members who make additional Capital Calls that would otherwise have been the obligation of the Defaulting Member will have their Percentage Interests recalculated in accordance with the provisions of Section 2.02. If two or more Members elect to contribute to fund the Capital Call attributable to the defaulting Member's Capital Call, such Members may participate to the extent of their relative Percentage Interests unless the non-Defaulting Members agree to a different allocation.

(ii) The Percentage Interest of the Defaulting Member who fails to make the Capital Call is reduced by an amount equal to the amount allocated to the Member or Members who satisfy the Defaulting Member's Capital Call.

ARTICLE III

POWERS, RIGHTS AND DUTIES OF THE BOARD AND CLASS A MEMBERS

3.01 Management of the Company. Except as otherwise provided in this Agreement, the business and affairs of the Company shall be managed by a Board of Directors (the "**Board**") and the Board shall have all right and powers of a "manager" under the Act.

3.02 Board Powers. Except as otherwise specifically provided herein or by applicable law or CFTC Regulation, the Board shall have full, exclusive and complete discretion, power, and authority, to manage, control, administer and operate the business and affairs of the Company for the purposes herein stated and to make all decisions affecting such business and affairs, including without limitation, all acts which, in the Board's sole judgment, are necessary, proper, suitable or appropriate to carry out the powers, duties and responsibilities of the Board set forth in this Agreement, including but not limited to the right, power and authority, (a) to execute and file certificates and amended certificates as required by statute in various jurisdictions; (b) to incur all reasonable expenditures; (c) to remove a Director where the conduct of such director is likely to be prejudicial to the sound and prudent operation of the Company, and to appoint the Chief Executive Officer and Chief Regulatory Officer and to employ and dismiss from employment any and all employees, agents, independent contractors, representatives, attorneys and accountants; (d) to buy, sell, trade, broker, or otherwise deal in property of all kinds and descriptions for any purpose; (e) to let or lease all or any portion of any property for any purpose and without limit as to the term thereof, whether or not such term (including renewal terms) shall extend beyond the date of the termination of the Company and whether or not the portion so leased is to be occupied by the lessee or in turn, subleased in whole or in part to others; (f) to borrow money and to create debt; (g) to take any action within its powers and authority as set forth in the Aqua-Index Exchange Rulebook (the "Rulebook"); (h) to approve any revisions or amendments to the Rulebook, subject to the CEA (as defined in Section 3.09(a)(vi) below) and CFTC requirements or necessary approvals, as the case may be, therefor; and (i) to execute, acknowledge and deliver any and all instruments to effectuate any and all of the foregoing and all other powers of the Board set forth in this Agreement or under applicable law.

3.03 Further Powers, Rights and Duties. In addition to the foregoing and not by way of limitation, the Board shall have the power to (a) engage and compensate accountants, attorneys and other appropriate service providers to the Company, (b) provide such service providers with such assistance as they request in discharging their duties to the Company, (c) sign and file appropriate tax returns, elections and filings on behalf of the Company that have been prepared or reviewed by the appropriate services providers, (d) make such filings as are necessary or appropriate to preserve the existence of the Company under the Act or otherwise or qualify or renew the qualifications of the Company to do business as a limited liability company in a state or jurisdiction other than Illinois, (e) cause the Company to produce and retain at its registered office or principal place of business such documents and records as are required under the Act, (f) open and close bank, money market, brokerage, operating and other types of accounts on behalf of the Company and deposit, withdraw and otherwise deal with the Company funds therein, (g) distribute to the Members copies of all amendments to this Agreement including documents that are required to be distributed to Members hereunder or under the Act and (h) cause the Company to make distributions that are otherwise required or have been properly approved hereunder.

3.04 Supplementary Powers, Rights and Duties. In addition to the foregoing and not by way of limitation, the Board may arrange for financing, in connection with the operation of the Company and its business, with third parties by entering into an agreement, or agreements, with third parties for such financing and shall have the right, power and authority to lease, sell, exchange, refinance or grant an option for the sale of, all or any portion of the real and personal property of the Company, tangible or intangible, at such

rental, price or amount, for cash, securities or other property and upon such other terms as the Directors in their sole discretion deem proper.

3.05 Delegation of Power. The Board may delegate some or all of its responsibilities under this Agreement to others, such as the Chief Executive Officer or Chief Regulatory Officer and may cause the Company to employ and compensate third parties, including Members, in discharging its duties.

3.06 Board Composition; Term; Acting.

(a) The Board shall consist of five Directors, at least two of whom shall be Public Directors. At all times not less than thirty-five percent (35%) of the Directors, and never fewer than two Directors, shall be "**Public Directors**", as set forth below.

(b) 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 term "**Material Relationship**" has the meaning set forth in CFTC Regulation Section 1.3(ccc).) The Board must make such finding upon the nomination or appointment of the Director and as often as necessary in light of all circumstances relevant to such Director, but in no case less than annually.

(c) Directors shall each serve a term of one (1) year, unless earlier removed as herein provided, or until a successor or successors shall have been elected by the Class A Members and qualified.

(d) A majority of the number of Directors required under Section 3.06(a) shall constitute a quorum for transaction of business at any meeting of the Board, provided that if less than a majority of such number of Directors are present at said meeting, any one of the Directors present may cause adjournment of the meeting at any time without further notice.

(e) The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, provided that on all regulatory matters the act of sixty-seven percent (67%) shall be required, unless the act of a greater number is required by statute, CFTC Regulations, or this Agreement. At all meetings of the Board, each Director present shall have one vote.

(f) Directors or of any committee of the Board may participate in and act at any meetings of such board or committee through the use of a conference telephone or other electronic means. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

3.07 Appointment and Removal of Directors. Directors shall be appointed by the Class A Members of the Company, in accordance with this Agreement and CFTC requirements, to act as "managers" of the Company in the manner usual and customary, under Illinois law and CFTC requirements, for such persons to act. The Class A Members, at any time and from time to time and for any reason or no reason, may remove any Director then acting and elect a new Director. Notwithstanding the foregoing, the Board shall have procedures, as may be further set forth in policies that the Company may adopt, to remove a Director from the Board where the conduct of such member is likely to be prejudicial to the sound and prudent management of the Company. The Class A Members of the Company may

increase or decrease the number of Directors set forth in Section 3.06(a), provided that at all times not less than 35% of the Directors shall be Public Directors.

3.08 Officers.

(a) Subject to the oversight of the Board, the Company shall appoint from time to time one or more individuals to serve as the Chief Executive Officer, Chief Regulatory Officer and such other officers of the Company or any subsidiary of the Company (each, an "**Officer**") as it may deem necessary or appropriate, with such titles, duties, and authority as the Company shall approve, to carry out the business of the Company or any subsidiary of the Company, and upon such terms and conditions as the Board shall determine.

(b) Any Officer may also be a director, officer, partner or employee of the Company or 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, subject to the terms of this Agreement

3.09 Eligibility/Fitness.

(a) An individual may not serve as a Board member, or serve on a committee established by the Board, a disciplinary panel or an appeals panel established by the Board, or hold a 10% or more ownership interest in the Company, if the individual:

(i) was found, within the past three (3) years, by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any **Self-Regulatory Organization** (as defined in CFTC Regulation Section 1.3(ee) and including a CFTC registered derivatives clearing organization), to have committed a **Disciplinary Offense** (as defined in CFTC Regulation Section 1.63(a)(6));

(ii) has entered into, within the past three (3) years, 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;

(iii) is currently suspended from trading on any exchange, is suspended or expelled from membership in any Self-Regulatory Organization, is serving any sentence or probation, or owes any portion of a fine or penalty related to either: (A) a finding of a Disciplinary Offense by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization; or (B) 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;

(iv) is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;

(v) is currently, or within the past three (3) years has been, subject to a revocation or suspension of registration by the CFTC;

(vi) has been convicted of a felony listed in Section 8a(2)(D)(ii) through (iv) of the Commodity Exchange Act, as amended ("**CEA**"); or

(vii) 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; or

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

For purposes of this paragraph (a), the terms "final decision" and "settlement agreement" have the meaning given those terms in CFTC Regulation Section 1.63(a).

(b) Each Director nominee shall certify to the Board that the nominee is not disqualified pursuant to paragraph (a) above. Each Director must certify to the Board that he or she is not disqualified pursuant to paragraph (a) above at least annually. Additionally, each Director shall inform the Company of any changes in registration information within thirty (30) days. The Company shall verify information supporting Board compliance with eligibility criteria.

(c) Each Director shall satisfy all fitness standards and otherwise meet all eligibility requirements for serving as a director of a designated contract market under the CEA and CFTC Regulations, including sufficient expertise, where applicable, in financial services, risk management, and clearing services.

3.10 Standing Committees.

(a) The Board shall have a standing Regulatory Oversight Committee with the roles and responsibilities set forth in Section 3.11.

(b) The Board may, from time to time, create and appoint or terminate such additional standing committees of the Board as it may deem necessary or advisable.

3.11 Regulatory Oversight Committee

(a) The Regulatory Oversight Committee shall consist of the Public Directors.

(b) The Regulatory Oversight Committee shall report to the Board.

(c) The Regulatory Oversight Committee shall oversee the Company's regulatory program on behalf of the Board and shall have the authority and responsibility to perform the following functions:

(i) Monitor the regulatory program of the Company for sufficiency, effectiveness, and independence.

(ii) Oversee all facets of the regulatory program, including:

A. trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to persons that have signed agreements with the Company for the purposes of trading on the Company's trade execution system ("**Participants**") (including compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;

B. reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel;

C. supervising the Chief Regulatory Officer of the Company, who will report directly to the Regulatory Oversight Committee;

D. recommending changes that would ensure fair, vigorous, and effective regulation; and

E. reviewing all regulatory proposals prior to implementation and advising the Board as to whether and how such changes may impact regulation.

(iii) Prepare an annual report assessing, for the Board and CFTC, the regulatory program of the Company. Such report shall: (A) describe the self-regulatory program; (B) set forth the expenses of the regulatory program; (C) describe the staffing and structure of the same; (D) catalogue Investigations and disciplinary actions taken during the year; and (E) review the performance of disciplinary committees and panels.

(d) In the event that the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee, the Company shall submit a written report to the CFTC detailing: (i) the recommendation or action of the Regulatory Oversight 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.

3.12 Duties of Parties.

(a) The Directors and the Board shall devote such time to the business and affairs of the Company as is necessary to carry out their management duties under this Agreement, but nothing in this Agreement shall preclude the employment of any agent or third party to provide services in respect of the Company's business.

(b) Except as otherwise expressly provided in Section 3.12(d), nothing in this Agreement shall be deemed to restrict in any way the rights of any Member, or of any Affiliate of any Member, to conduct any other business or activity whatsoever, and the Member shall not be accountable to the Company or to any Member with respect to that business or activity even if the business or activity my compete with the Company's business.

(c) The Class A Members may control, invest, and own directly or indirectly interests in other businesses, and investments without restriction and without offering the Class B Members any opportunity to participate.

(d) Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with Members and their Affiliates. In any of those cases, those dealings and undertakings shall be at arm's length and on commercially reasonable terms.

3.13 Power of Attorney.

(a) Each Member, upon the execution of this Agreement, appoints the Board, and each Director, as his/her/its true and lawful attorney, in his/her/its name, place and stead to sign, execute, acknowledge, swear to, file and record any and all documents which, in the discretion of such attorneys, are required to be signed, executed, acknowledged, sworn to, filed or recorded by a Member to discharge the purposes of the Company as stated herein or as may be required under the laws of the State of Illinois or any other state or by any governmental authority in connection with the formation, operation or termination of the Company. Without limitation, among the documents which may be executed on behalf of each such Member shall be the following:

(i) any amendment of this Agreement that can be made pursuant to Article IX without the approval of such Member;

(ii) the original Articles of Organization and any amendment to the Articles of Organization of the Company required by law when (1) a party is substituted, added or deleted as a Member, (2) this Agreement is amended in accordance with its terms, (3) a party is substituted, added or deleted as a Director of the Company in accordance with the terms hereof or (4) inaccuracies in the names, addresses, amounts of capital contribution or other matters are corrected in the Articles of Organization or the Membership or an amendment thereto; and

(iii) any amendment to this Agreement, to conform the tax allocations of the Company prescribed by Article VII to qualify

for safe harbor treatment under Treasury Regulation Section 1.704-1(b), provided that any such amendment shall not have a material effect on the non-tax consequences of any Member's investment in the Company.

(b) The grant of authority set forth in this Section 3.13(a) hereof:

(i) is a special power of attorney coupled with an interest and is irrevocable;

(ii) may be exercised by the Board, and each Director, by electronic or facsimile signature or by listing all of the Members executing any instrument with its single signature, as attorney in fact for all of them; and

(iii) shall survive the delivery of an assignment by the Member of the whole or any portion of his or her interest in the Company, except that where the assignee has been approved by the Board for admission to the Company, the power of attorney shall survive the delivery of such assignment for the sole purpose of enabling the Board to execute, acknowledge and file any instrument necessary to effect such substitution.

3.14 No Liability. The Directors shall not be liable, responsible or accountable in damage or otherwise to the Company or any Member for any action taken or failure to act on behalf of the Company within the scope of the authority conferred on the Directors by this Agreement or by law unless such action or omission was performed or omitted fraudulently or in bad faith or constituted willful and wanton misconduct or gross negligence.

The Class A Members shall not be liable, responsible or accountable in damage or otherwise to the Company or any Class B Member for any action taken or failure to act on behalf of the Company within the scope of the authority conferred on the Class A Members by this Agreement or by law unless such action or omission was performed or omitted fraudulently or in bad faith or constituted willful and wanton misconduct or gross negligence.

3.15 Indemnification. The Company shall indemnify and hold harmless, to the extent permitted by the Act, each Director, Class A Member, and Officer and the agents of each of them (herein the "Indemnified Parties") from and against any losses or expenses, actually and reasonably incurred by him/her/it by reason of any acts, omissions or alleged acts or omissions arising out of his/her/its activities on behalf of the Company or in furtherance of the interests of the Company (whether civil, criminal, administrative or investigative) including, but not limited to, any judgment, fine, settlement, fee, attorney's fee or any other expense incurred in connection with the defense of any actual or threatened action, proceeding or claim, provided that the acts, omissions or alleged acts or omissions upon which such actual or threatened action proceeding or claims are based were in good faith and were not performed or omitted fraudulently or in bad faith or as a result of wanton and willful misconduct or gross negligence by such Indemnified Party.

3.16 Tax Matters Partner. The Directors who are Members shall designate one Director who is a Member to be the "**tax matters partner**" of the Company under Section 6231(a) (7) of the Internal Revenue Code of 1986, as amended (the "Code"), or, if there is no

Director who is a Member, the tax matters partner shall be the Class A Member that has the largest Class A Member Interest.

ARTICLE IV

MEETINGS OF THE BOARD OR MEMBERS

4.01 Meetings. Meetings of the Board may be called by the Board or any Director. Meetings of the Members of record entitled to vote at such meeting may be called by the Board, any Director or by Members holding at least 51% of the Percentage Interests then held by Members of any Class entitled to vote.

4.02 Place of Meeting. The Board, Director or other person calling the meeting, may designate any place, either within or without the State of Illinois as a place of meeting for any meeting properly called under this Agreement. If no designation is made, the place of meeting shall be at the principal place of business of the Company whether such principal place of business is located within or without the State of Illinois.

4.03 Notice of Meetings. Written or printed notice stating the place, date, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than two (2) nor more than sixty (60) days before the date of the meeting, either personally, by mail, by fax or by email, by or at the direction of the Board or the persons calling the meeting, to each Director or Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) days after it is deposited in the mail, addressed to the Director or Member at his address as it appears on the records of the Company, with postage thereon prepaid. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

4.04 Meetings of Board. If the Board shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any action may be taken.

4.05 Fixing of Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof or to express consent to Company action, in writing without a meeting, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the consent to Company action is last executed or the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

4.06 Quorum. The presence of 51% or more of the Percentage Interests then held of each Class entitled to vote, whether in person or represented by proxy, shall constitute a quorum at any meeting of Members. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of Members from any meeting shall not cause failure of a duly constituted quorum at the meeting.

4.07 Proxies. Each Member entitled to vote at a meeting of Members or to express consent or dissent to Company action in writing without a meeting may authorize another person or persons to act for him by proxy. Such proxy shall be filed with the Board before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

4.08 Voting. Subject to Section 4.12, at any meeting of Members entitled to vote, each Member shall be entitled to vote his/her/its Member Interest as it relates to 100% of the Class to which he/she/it is a Member. If a quorum is present, the affirmative vote of at least the majority of Interests of that Class shall be the act of the Members of the Class, except as otherwise expressly provided in Section 4.09 of this Agreement or expressly required by the Act.

4.09 Unanimous Vote. Section 1.06 may be amended only by the unanimous written consent of all the Members (the "Unanimous Vote").

4.10 Voting by Certain Holders. Any Member which is a corporation, domestic or foreign, may cast its votes by such officer, agent, or proxy as the by-laws of such corporation may prescribe or, in the absence of such provision, as the board of directors of such corporation may determine. Votes held in the name of a trustee may be voted by him, either in person or by proxy.

4.11 Informal Action by Member. Unless otherwise provided in the Articles of Organization, any action required to be taken at any meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voting.

4.12 Classes of Members and Voting Eligibility. There shall be two classes of Members in the Company, one designated "**Class A**," and one designated "**Class B**." AIL is the only initial Class A Member of the Company. All other memberships in the Company hereafter issued, unless otherwise expressly agreed by the Class A Members shall be Class B memberships. Unless otherwise provided herein or expressly required by the Act, the Class A Members shall have the only votes with respect to the management of the Company. Unless expressly required by the Act, Class B Members shall have no vote with respect to the management of the Company or any other activities, operations or decisions of the Company.

ARTICLE V

STATUS OF CLASS B MEMBERS

5.01 No Director or Appointment Rights. The Class B Members as such shall not have the power to appoint or remove Directors, said powers being vested solely and exclusively in the Class A Members, as set forth in this Agreement.

5.02 Limited Liability. No Class B Member shall have any personal liability whatever, whether to the Company, to any of the Members or to the creditors of the Company, for the debts of the Company or any of its losses beyond the amount of his/her/its Member Interest in the Company.

5.03 Death or Incapacity of a Class B Member. The death or legal incapacity of a Class B Member (or, in the case of a Class B Member which is itself a company, joint venture or other entity, the dissolution of a Class B Member) shall not cause a dissolution of the Company but the rights of such Class B Member to receive distributions, if any, of Company funds and to assign an Interest hereunder, on the happening of such an event, shall devolve on his/her/its personal representative, guardian, trustee, receiver or other such successor in interest of a deceased, legally incompetent or dissolved Class B Member, subject to the terms of this Agreement, and the Company shall continue as a limited liability company. The estate of the deceased Class B Member or successor in interest, as the case may be, shall be liable for all the obligations of the deceased or dissolved Class B Member. However in no event shall such personal representative or assignee become a substituted Member, except with the consent of the Class A Members.

5.04 Withdrawal. In the event that a Class B Member desires to withdraw (a) part of his/her/its capital from the Company or (b) all of his/her/its capital from the Company and no longer be a Member, to the extent permitted by law, he/she/it shall first give 60 days prior written notice to the Class A Members. The Company shall purchase such Class B Interest in the Company for an amount equal to such Member's Percentage Interest at its then net book value as determined by the Company's then independent certified public accountants less any amounts said Class B Member owes the Company, as determined by the Board. In the event that the Company assets are not adequate for any reason to purchase said Class B Member's Interest (either in whole or in part), including but not limited to satisfying any minimum regulatory capital requirements of the CFTC, the Company shall not be required to purchase said Member's Interest (either in whole or in part) and neither the Class A Members nor the other Class B Members shall be liable in any respect for such purchase or lack thereof.

ARTICLE VI

TRANSFERS OF CLASS B INTERESTS

6.01 Assignment or Transfer. A Class B Member may assign or transfer the whole of his/her/its Class B Member's Interest in the Company, and such assignment or transfer shall confer upon the assignee or transferee the right to become a substituted Class B Member, in the following manner and subject to the following conditions:

(a) An instrument of assignment or transfer executed by both the assignor or transferor and the assignee or transferee of the Class B Member's Interests satisfactory in form to the Class A Members shall be delivered to the Board. No assignment or transfer shall be effective without the written consent of the Class A Members.

(b) The written consent, as provided above, which may be given or withheld by the Class A Members in their sole discretion, shall not be subject to review by any court of law or equity. The Class A Members may grant or withhold such consent for any reason, or no reason, in their sole and absolute discretion. Consent given to or withheld as to any Class B Member shall not be controlling as to whether such consent may be given or withheld to any other Class B Member.

(c) No assignment or transfer to a minor or incompetent shall be effective in any respect.

6.02 Substituted Member a Party Hereto. Any person admitted to the Company as a substituted Class B Member shall be subject to and bound by all the provisions of this Agreement as if originally a party to this Agreement.

6.03 Option to Purchase. Each Class B Member does hereby grant unto the Class A Members, or any of them, the unqualified right and option to purchase at any time during the existence of the Company his/her/its Member's Interest at a price equal to its then net book value as determined by the Company's then independent certified public accountants less any amounts said Class B Member owes the Company, as determined by the Board. Such option shall be deemed to be exercised upon giving the Class B Member concerned five-day prior written notice thereof in person, by fax, e-mail or by posted mail, postage prepaid, to the last known address of such Class B Member as shown on the books and records of the Company. Upon the exercise of such option and upon tender of payment by the Class A Members, the Class B Member concerned shall execute a full assignment of his/her/its Class B Member's Interest to the Class A Members in a form provided and approved by the Class A Members and surrender any certificate or other instrument which may have been issued to evidence his contribution and he/she/it shall thereafter have no further rights in the Company. Failure or refusal by the Class B Member to execute such assignment shall not affect such purchase by the Class A Members, or any of them, and the Class B Member's Interest in the Company, nevertheless, shall be terminated and nullified by reason of such tender of payment for such purchase hereunder. Nothing herein shall affect the right of any Class B Member, as given in this Agreement, to sell or otherwise dispose of his/her/its Class B Member Interest, under terms provided herein, provided that such Class B Member's Interest so sold or disposed of remains subject to the same option hereby granted to the Class A Members, or any of them.

6.04 Further Restrictions on Transfer. Notwithstanding anything contained in this Article VI to the contrary, no transfer of all or any portion of a Company Interest shall be made if, in the opinion of counsel for the Company: (a) such transfer would violate the Securities Act of 1933, as amended, or any applicable state securities or "blue sky" law, or any other applicable provision of law in any respect, (b) registration of such Company Interest is or would be required under the Securities Act of 1933, as amended, in connection with such transfer, or (c) such transfer would cause a default under the terms of any material agreement to which the Company is a party. The consent of any Member to any transfer pursuant to this Article VI shall not be construed as the consent to any other transfer of the same or any other Company Interest.

ARTICLE VII

ACCOUNTING AND ALLOCATIONS

7.01 Allocation of Net Profits, Net Losses and Credits.

(a) The net profits and net losses of the Company, as finally determined on an annual basis for Federal income tax purposes, and any tax credit claimed by the Company shall, except as may be provided otherwise in this Article VII, shall be allocated among the Members in accordance with their Percentage Interests as set forth in Exhibit A.

(b) Any recapture of depreciation or tax credit shall be allocated among the Members as such depreciation or tax credit, as the case may be, shall have been shared initially among the Members.

(c) However, any net losses attributable to Nonrecourse Deductions, or any losses attributable to property subject to liabilities for which a Member or Members is or are liable, including "Member Nonrecourse Debt," as that term is defined in Treasury Regulation Section 1.704-2(b)(4) (which includes a Member's personal guarantee of Company liabilities), shall be allocated pro rata among such Member or Members in the ratio of their Percentage Interests to each other to the extent of their respective shares of nonrecourse liabilities (allocated in accordance with the profit ratio allocation described above in subparagraph (a) of this Section 7.01) or to the extent of the liabilities (including Member Nonrecourse Debt) for which the Members are respectively liable.

7.02 Net Profits and Losses. For purposes hereof, "**net profits**" or "**net losses**" shall mean, for each tax year or other period, the net income or net loss of the Company for Federal income tax purposes together with all amounts of income, gain and loss exempt from income tax as determined in accordance with Code Section 703(a) by the independent certified public accountants or auditors then employed by the Company without reduction for any distributions to any Member. For purposes of determining net profits or net losses, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss. Net profits and net losses shall not include any item allocated pursuant to the provisions of Section 6.04 hereof.

7.03 Capital Accounts. An individual capital account shall be established and maintained for each Member, which account:

(a) shall, first, be credited with:

(i) the amount of cash and the agreed value of property which may be contributed to the Company by such Member from time to time; and

(ii) the amount of Company profit and gain (or items thereof) allocated to such Member pursuant to Section 7.01 (including income and gain exempt from Federal income tax); and

(iii) the amount of Company income and gain (or items thereof) allocated to such Member pursuant to Section 7.04 (including income and gain exempt from Federal income tax); and

(iv) the amount of any upward basis adjustment to such Member's interest under Section 50(c) of the Code, resulting from credit recapture, to the extent required by Treasury Regulation Section 1.704-1(b)(2)(iv)(j); and

(v) the amount of any Company liabilities that are assumed by such Member or that are secured by any Company property distributed to such Member; and

(vi) any items in the nature of income or gain that are specially allocated such Member; and

(b) shall, second, be debited in the amount of:

(i) Company losses and deductions (or items thereof) allocated to such Member; and

(ii) Company expenditures which are not deductible for Federal income tax purposes, and for which it is not proper to capitalize; and

(iii) the amount of any downward basis adjustment to such Member's interest in the Company under Section 50(c) of the Code, resulting from allocation of items of tax credit to such Member, to the extent required by Treasury Regulation Section 1.704-1(b)(2)(iv)(j); and

(iv) any liabilities of such Member that are assumed by the Company or that are secured by property contributed by such Member to the Company.

(c) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of capital accounts are intended to comply with Treasury Regulation Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Board shall determine that it is prudent to modify the manner in which the capital accounts, or any debits or credits thereto, are computed in order to comply with such Regulations, the Board may make such modification, provided that such modification is not likely to have a material effect on the amounts distributable to any Member pursuant to Article VII hereof upon the dissolution of the Company. The Board shall adjust the amounts debited or credited to capital accounts with respect to (a) any property contributed to the Company or distributed to a Member, and (b) any liabilities that are secured by such contributed or distributed property or that are assumed by the Company or a Member, in the event the Board shall determine such adjustments are necessary or appropriate pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv). The Board also shall make any appropriate modifications in the event unanticipated events (for example, the acquisition by the Company of oil or gas properties) might otherwise cause this Agreement not to comply with Treasury Regulation Section 1.704-1(b).

(d) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial fair market value as shown on Schedule A.

7.04 Allocations and Distributions Resulting from Extraordinary Events.

(a) Gain, loss or ordinary income from the sale, exchange or involuntary conversion of all or substantially all of the Company's noncash assets and gain, loss or

ordinary income from the sale, exchange or involuntary conversion of all or any portion of the Property shall, except as may be provided otherwise in this Article VII, be allocated among the Members in the same manner as provided in Section 7.01 hereof.

(b) Any proceeds resulting from the sale, exchange or involuntary conversion of any, all, or substantially all of the Company's non-cash assets (unless reinvested within a reasonable period of time) or arising from any event causing the winding up of the business of the Company shall be distributed in accordance with the provisions of Section 8.05 hereof. Proceeds from the refinancing of Company debt or proceeds from the sale or exchange or involuntary conversion of less than substantially all of the noncash assets of the Company in a transaction which does not result in the winding up of the Company, shall, to the extent not utilized to pay creditors or establish reserves, be distributed among the Members in the same manner as cash flow.

7.05 Deficit Capital Accounts. No Member shall be required to return to the Company any distribution made by the Company to such Member and no Member shall be required to restore any deficit in his or her capital account or bring his or her capital account into parity with the capital accounts of other Members except as may be required by law.

7.06 Section 754 Election. In the event of a transaction resulting in an optional adjustment to basis of undistributed Company property pursuant to Code Section 754, or a transaction resulting in an adjustment to basis of Company property upon a transfer of an interest in the Company to which Code Section 743 shall apply, the Board shall have the authority, in its discretion, to make or forego an election on behalf of the Company under Code Section 754.

7.07 Allocation with Respect to Varying Percentage Interests. Allocations of net profits, net losses, and tax credits among, and resulting distributions of Net Cash Flow to, persons who in any taxable year of the Company are holders of Percentage Interests for less than the entire taxable year or whose amount of Percentage Interest owned varied during any taxable year shall be made in accordance with whatever reasonable, consistently applied method the Board may choose, to implement the provisions of Code Section 706(c).

ARTICLE VIII

DISSOLUTION AND WINDING UP

8.01 Events of Dissolution. No act, thing, occurrence, event or circumstance shall cause or result in the dissolution of the Company, except as provided in Section 1.06 or by operation of law.

8.02 Bankruptcy Defined. For purposes of this Agreement, a Member shall be deemed insolvent or bankrupt if (a) a petition is filed by or against such Member under any present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency or other relief to debtors, or under any rule promulgated thereunder, if such petition remains in force, undischarged and unstayed, for a period of sixty (60) days, (b) any procedure is initiated, by or against such Member, seeking or acquiescing in any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar relief under any state statute, law or regulation relating to insolvency or other relief for

debtors, if such petition remains in force, undischarged and unstayed, for a period of sixty (60) days, (c) such Member makes an assignment of all or substantially all of its assets for the benefit of creditors, (d) a decree or order of a court having jurisdiction is entered for the appointment of a receiver, trustee, controller, liquidator or custodian for all or any substantial part of the assets of such Member, if such decree or other remains in force, undischarged and unstayed, for a period of sixty (60) days, (e) such Member makes an adjustment, settlement or extension of its debts with its creditors generally or (f) such Member becomes insolvent or admits in writing its inability to pay its debts as they mature or is generally not paying its debts as they mature.

8.03 Winding Up. Subject to the provisions of Section 8.05 hereof, in the event of the dissolution of the Company for any reason, the Board shall commence to wind up the affairs of the Company and to liquidate its assets (the Board, in such capacity, or such liquidating trustee is referred to herein as the "**Liquidating Trustee**"). The winding up shall be carried out in accordance with the provisions of this Article VIII and all decisions shall be made by the Liquidating Trustee.

8.04 Liquidation of Assets. Subject to the provisions of Section 8.05 hereof, the Members shall continue to share profits and losses and distributions of cash during the period of liquidation in the same manner and proportion as before the dissolution. The Liquidating Trustee shall have full right and unlimited discretion to determine in good faith the time, manner and terms of any sale or sales of the property of the Company pursuant to such liquidation.

8.05 Distribution on Dissolution. In the event of the dissolution and liquidation of the Company for any reason, the assets of the Company shall be applied first to the expenses of the dissolution and liquidation, and thereafter the remaining assets of the Company shall be distributed as follows:

(a) first, to creditors of the Company, in the order of priority provided by law;

(b) second, to the establishment of reserves to provide for contingent liabilities, if any;

(c) third, to repay debt of the Company to Members, if any, in the order of priority provided by law; and

(d) fourth, to the Members, in accordance with their capital accounts.

8.06 Distributions in Kind. In the event it becomes necessary to make a distribution of Company property in kind, such property shall be transferred and conveyed to the distributees as tenants in common so as to vest in them undivided interests in the whole of such property in proportion to their respective rights to share in the proceeds of the sale of such property in accordance with the provisions of Section 7.02 hereof.

8.07 Termination of Company. Upon the completion of the liquidation of the Company and the distribution of all Company assets, the Company shall terminate and the Liquidating Trustee shall have the authority to execute any and all documents required to effectuate the dissolution and termination of the Company.

8.08 Purchase of Interest of Bankrupt Member. The Company may purchase the interest of any Member who shall become bankrupt (a "Bankrupt Member"), as of the day immediately prior to the date of such bankruptcy, at a price equal to the capital account of the Bankrupt Member as of such date. The terms of payment for such interest shall be no cash down, with the amount of the purchase price payable in ten (10) equal successive annual installments. The installments shall, together with interest on the unpaid balance of the purchase price at a rate equal to the minimum rate of interest necessary to avoid the imputation of additional interest under the Code, commence on the first anniversary of the settlement date and the remaining nine (9) installments of principal and interest shall be paid on each succeeding anniversary. The Company shall have the full right to prepay this purchase price, in whole or in part, without penalty. If as of the date prior to such bankruptcy there is a negative balance in the capital account of such Bankrupt Member, the interest of such Bankrupt Member shall be purchased by the Company for a price of ten dollars ($10.00) cash, not in installments.

ARTICLE IX

AMENDMENTS

9.01 Amendments. Amendments or modifications to this Agreement may be made only by setting forth such amendments or modifications in a document duly executed by the Board, and any alleged amendment or modification herein which is not so documented shall not be effective as to the Members except that the application of Section 8.01 shall not be affected by this Section 9.01. Section 1.06 may only be amended by the unanimous written consent of all the Members. No amendment or modification which affects, other than in a de minimus way, the interest of any of the Members in the capital, profit or loss of, or distributions or allocations with respect to, the Company shall be effective as to the Members unless such amendment or modification is set forth in a document duly executed by at least 51% of each Class affected by such amendment or modification. Notwithstanding anything herein to the contrary (except Section 8.01), this Agreement may be amended by the Board without the consent of the Members to: (i) add to the representations, duties, or obligations of the Board; (ii) cure any ambiguity; or (iii) correct or supplement any provision of this Agreement which may be inconsistent with any other provision hereof or add any provisions with respect to matters or questions arising out of this Agreement not inconsistent with the intent of this Agreement. Notwithstanding any provision herein to the contrary, the Board may amend Exhibit A to give effect to any changes in the Percentage Interests of the Members and their transferees, and the Class A Members may increase or decrease the number of Directors in Section 3.06(a), in accordance with Section 3.07.

ARTICLE X

GENERAL PROVISIONS

10.01 Investment Representation. Each Member hereby represents, warrants and agrees that he is acquiring his Company Interest for his/her/its own account for investment only and not for the purpose of, or with a view to, the resale or distribution of all or any part thereof, nor with a view to selling or otherwise distributing said interest or any part thereof at any particular time or under any predetermined circumstances

10.02 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be

deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

10.03 Notices. All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered properly given or made five days after such notices or communications are mailed (i) from within the United States by certified or registered United States mail, return receipt requested, postage prepaid, or (ii) from without the United States by governmental mail similar to the foregoing, receipt requested, postage prepaid, or one day after such notices or communications are sent by fax or email (both with evidence of successful transmission), prepaid telegram or nationally recognized overnight courier service and addressed, if to the Company or to the Board, to the address of the Company set forth in Section 1.03 hereof (or as amended as therein set forth), and if to any of the Members, to the address set forth beneath each such Member's signature on this Agreement. The Board may change the address of the Company by giving notice in writing to each of the Members stating its new address, and each of the Members may change his or her address by giving such notice to the Board and each other Member. Commencing on the tenth day after giving such notice, such newly designated address shall be such Member's address for purposes of all notices or other communications required or permitted to be given pursuant to this Agreement.

10.04 Successors. This Agreement and all the terms and provisions hereof shall be binding upon and shall inure to the benefit of each of the Members and their respective legal representatives, heirs, successors and assigns, except as expressly herein otherwise provided.

10.05 Construction. As used herein, the term "**Managers**" or "**Manager**" or "**Board**" or "**Director**" or "**Directors**" shall refer to any or all of the Directors and the Board and any successor or additional Director from time to time appointed to the Board pursuant to the terms of this Agreement. As used herein, the term "**Member**" shall refer to all Members and any successor or additional Members from time to time joining the Company pursuant to the terms of this Agreement, either Class A and /or Class B or both, as the context requires.

10.06 Effect and Interpretation. This Agreement shall be construed in conformity with the laws of the State of Illinois.

10.07 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be binding and in full force and effect.

10.08 Headings. The headings, titles and subtitles used herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit, characterize or interpret any provisions of this Agreement.

10.09 Pronouns. As used herein, all pronouns shall include the masculine, feminine, neuter, singular and plural thereof wherever the context and facts require such construction.

10.10 Affiliate. As used herein, the term "**Affiliate**" or "**affiliated**" shall mean, in respect of any specific person or entity, (a) any person or entity directly or indirectly owning, controlling or holding with power to vote fifty percent (50%) or more of the Company interests (or outstanding voting securities, as the case may be) of such other entity; (b) any entity fifty percent (50%) or more of the Company interests (or outstanding voting securities, as the case may be) of which are directly or indirectly owned, controlled or held with power to vote by such person or entity; (c) any person or entity directly or indirectly controlling, controlled by or under common control with such person or entity; and (d) if such person or entity is an officer, director or Member of any entity, any entity for which such person or entity acts in such capacity.

10.11 Trustee Liability. When this Agreement is executed by the trustee of any trust, such execution is by the trustee, not individually, but solely as trustee in the exercise and under the power and authority conferred upon and vested in such trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on any such trustee personally to pay any amounts required to be paid hereunder, or to perform any covenant, either expressed or implied, contained herein, all such liability, if any, being expressly waived by the parties hereto by their execution hereof. Any liability of the Member which is a trust to the Company or to any third party shall be only that of such trust estate and shall not be a personal liability of any trustee, grantor or beneficiary thereof.

10.12 Third Parties. No provisions of this Agreement shall be for the benefit of, or be enforceable by, any creditors of any Member.

10.13 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof. It supersedes any prior agreement or understandings among them, and it may not be modified or amended in any manner other than as set forth herein.

10.14 Exhibits. Each Exhibit to this Agreement is incorporated herein for all purposes.

10.15 Independent Representation. The parties to this Agreement acknowledge that they each have had an opportunity to seek legal representation from independent counsel, and after being advised of the risks of foregoing independent legal representation, have chosen to forego independent legal representation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first stated above.

AQUA-INDEX EXCHANGE, LLC

By: Aqua-Index Holdings Corp. **(Class A Member)**

By: _____
Yaacov Shirazi, CEO

EXHIBIT A

AQUA-INDEX EXCHANGE, LLC
(As of March 2,, 2015)

Members and percentage interests in **Aqua-Index Exchange, LLC:**

Name and Address	Contribution Amount	Class Percentage Interest	Company Percentage Interest
Class A Member:			
Aqua-Index Holdings Corp. (Mailing Address) 216 West Jackson Boulevard, #400 Chicago, IL 60606	$_____	100.00%	100.00%
Total Class A Percentage Interest:		100.00%	
Class B Members:			
Total Class B Percentage Interest:		0 %	
TOTALS:			

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Exhibit G-3

AQUA-INDEX EXCHANGE, LLC
REGULATORY OVERSIGHT COMMITTEE
CHARTER

I. Purpose

The Regulatory Oversight Committee (the "**Committee"**) is a Committee of the Board of Directors (the "**Board**") of AQUA-INDEX EXCHANGE, LLC (the "**Exchange**") established in accordance with the Commodity Exchange Act and the regulations promulgated thereunder (collectively referred to as "**CFTC Requirements**"). The Committee shall report to the Board. The Committee is responsible for (i) providing independent oversight of the Exchange's regulatory program (the "**Regulatory Program**"), including trade practice and market surveillance; (ii) assisting the Board in minimizing potential conflicts of interests relating to the Exchange's self-regulatory obligations; (iii) confirming that the Regulatory Program is fair and impartial to Exchange participants; and (iv) monitoring the Regulatory Program for sufficiency, effectiveness, and independence.

II. Membership Composition

The Committee shall be composed of each director who qualifies as a "public director," as such term is used by the Commodity Futures Trading Commission ("**CFTC**") in Appendix B to Part 38 and one additional director who is not required to so qualify. The Board shall designate the Chairperson of the Committee.

III. Meetings

The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than once each quarter. The meetings may take place in person or via telephone conference.

Each Committee member not subject to a recusal (for reasons including, but not limited to, an actual or potential conflict of interest) shall have one vote in all matters requiring a vote by the Committee. A majority, but not fewer than two, of the Committee members not subject to recusal shall constitute a quorum for the transaction of business; provided, that in the event that all but one member of the Committee has been recused, the remaining member of the Committee shall constitute a quorum. The act of a majority of the Committee members not subject to a recusal at any duly constituted meeting, if a quorum is present, shall be the act of the Committee. In the event of a tie vote, the vote of the Chairperson of the Committee shall decide the matter.

The Committee shall maintain minutes and records of its meetings, deliberations and analyses, including records of all decisions made by the Committee. The Committee will make such minutes and records available to CFTC staff upon request.

IV. Responsibilities and Authority

Responsibilities

The Committee shall monitor the Regulatory Program for sufficiency, effectiveness, and independence.

The Committee shall oversee all facets of the Regulatory Program, including:

- Trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Exchange participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);
- The conduct of investigations;
- Reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel;
- Supervising and reviewing the performance of the Chief Regulatory Officer of the Exchange ("**CRO**"), who will report directly to the Committee;
- Recommending changes that would ensure fair, vigorous, and effective regulation;
- Reviewing all regulatory proposals prior to implementation and advising the Board as to whether and how such changes may impact regulation; and
- Reviewing such other matters and performing such additional activities, within the scope of its responsibilities, as the Board or Committee deems necessary or appropriate.

Authority

The Committee shall have the authority, discretion, and necessary resources to:

- Conduct its own inquiries;
- Consult directly with Exchange regulatory staff, including a regulatory service provider, if any;
- Review all relevant documents;
- Interview employees, including those of a regulatory service provider, officers, and Exchange participants;
- Otherwise exercise its independent analysis and judgment to fulfill its regulatory obligations; and
- Ask members of management or others to attend meetings and provide information.

The Committee may delegate its day-to-day authority over self-regulatory functions and personnel to the CRO.

V. Reporting

The Committee Chairperson, or his or her designee, shall make regular reports of the Committee's activities to the Board.

The Committee shall prepare an annual report assessing, for the Board and CFTC, the regulatory program of the Exchange. Such report shall: (i) describe the self-regulatory program; (ii) set forth the expenses of the regulatory program; (iii) describe the staffing and structure of the same; (iv) catalogue investigations and disciplinary actions taken during the year; and (v) review the performance of disciplinary committees and panels.

In the event that the Board rejects a recommendation or supersedes an action of the Committee, the Exchange shall submit a written report to the CFTC detailing: (i) the recommendation or action of the 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.

VI. Charter

The Committee shall reassess the adequacy of this Charter no less frequently than annually and submit any recommended changes to the full Board for approval.

Exhibit G-4

Certificate of good standing for AQUA-INDEX EXCHANGE, LLC (May 22, 2015)

File Number 0516683-7

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

AQUA-INDEX EXCHANGE, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MARCH 02, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 22ND *day of* MAY *A.D.* 2015 .

Authentication #: 1514201674

Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Exhibit L

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT AIX DOCUMENTS, RULES AND AGREEMENTS
Sec. 5(a) Applications - "A board of trade applying to the Commission for designation as a contract market shall submit an application to the Commission that includes any relevant materials and records the Commission may require consistent with the Act."	AQUA-INDEX EXCHANGE, LLC is submitting this Form DCM and these exhibits ("**Exhibits**") in accordance with 17 C.F.R. Part 38, Appendix A as an application for designation as a contract market (the "**Application**").
Core Principle 1 - Designation as Contract Market: (A) In General.—To be designated, and maintain a designation, as a contract market, a board of trade shall comply with— (i) any core principle described in this subsection; and (ii) any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5). (B) Reasonable Discretion Of Contract Market.— Unless otherwise determined by the Commission by rule or regulation, a board of trade described in subparagraph (A) shall have reasonable discretion in establishing the manner in which the board of trade complies with the core principles described in this subsection.	The materials submitted with the application of AQUA-INDEX EXCHANGE, LLC ("**AIX**" or the "**Exchange**") for designation as a contract market, including but not limited to the Aqua-Index Exchange Rulebook (the "**Rules**" or "**Rulebook**") provided in Exhibit M to the Application, demonstrate the Exchange's compliance with the Core Principles and the CFTC's regulations. Capitalized terms that are used in this Exhibit L without definition have the meaning ascribed to those terms in the Rules.
Core Principle 2 - Compliance with Rules: (A) In General.—The board of trade shall establish, monitor, and enforce compliance with the rules of the contract market, including— (i) access requirements;	Pursuant to the Participant Agreement to be entered into by each Participant, and pursuant to the legend on the front cover of the Rulebook and Rule 301, by accessing or entering any Order into the Exchange, Participants and Authorized Users agree (i) to be bound by the Rulebook and Applicable Law, (ii) to become subject to the jurisdiction of the Exchange, and (iii) to assist the Exchange in complying with its legal and regulatory obligations (including through cooperation with the Exchange and the CFTC in any

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CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT AIX DOCUMENTS, RULES AND AGREEMENTS
(ii) the terms and conditions of any contracts to be traded on the contract market; and (iii) rules prohibiting abusive trade practices on the contract market. (B) Capacity of Contract Market.—The board of trade shall have the capacity to detect, investigate, and apply appropriate sanctions to any person that violates any rule of the contract market. (C) Requirement of Rules.—The rules of the contract market shall provide the board of trade with the ability and authority to obtain any necessary information to perform any function described in this subsection, including the capacity to carry out such international information-sharing agreements as the Commission may require.	inquiry and investigation). Chapter 3 of the Rulebook provides clear and transparent access criteria and requirements for Participants and their Authorized Users. Specifically, Rule 304 sets forth the eligibility standards for Trading Privileges. Rule 305 sets forth minimum financial requirements for Participants to maintain the financial integrity of the Exchange. Rule 307 provides clear and transparent requirements for Authorized Users. The Exchange will apply access criteria in an impartial manner, including through the application process described in Rule 304. Pursuant to Rule 312, Exchange dues and fees will be posted on the Exchange's website. Pursuant to Rule 403, the Exchange will determine which Contracts are available for trading subject to the Rules of the Exchange and approval rules containing the specifications for such Contracts. [NTD: Can you reference CP 3 here?] Chapter 6 of the Rulebook imposes both proscriptive and prescriptive standards and rules designed to protect Participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct or trade practices. Rule 601 sets forth ethical standards with which Participants and Authorized Users must comply. Rules 602 and 603 prohibit several forms of conduct and trade practices, including: price manipulation, fictitious, noncompetitive or artificial transactions (Rule 602(b)), fraudulent acts (Rule 602(c)), market manipulation (Rule 602(d)), market disruption (Rule 602(e)), disruptive trading practices (Rule 602(g)), false reports (Rule 602(h)), wash sales (Rule 602(i)), acts detrimental to the exchange (Rule 602(j)), and pre-arranged, pre-negotiated and noncompetitive trades (Rule 603). Rule 605 sets out position limits and exemptions for bona fide hedging transactions and positions. Chapter 7 of the Rulebook sets forth the Exchange's disciplinary and enforcement process and demonstrates the Exchange's capacity to detect and investigate rule violations. The Regulatory Compliance Department will investigate suspected rule violations, prepare investigative reports, make disciplinary recommendations and initiate

CONTRACT MARKET CORE PRINCIPLES	EXPLANATIONS AND REFERENCES TO RELEVANT AIX DOCUMENTS, RULES AND AGREEMENTS
	enforcement actions. Absent mitigating circumstances, the Regulatory Compliance Department must complete each investigation within twelve months after the date the investigation is opened. Under Rule 702(c), upon request of the Regulatory Compliance Department, each Participant must produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control in connection with the Rules, any inquiry or investigation, or any preparation by and presentation during a disciplinary action. Under Rule 703, investigations may be resolved through a warning letter, but no more than one warning letter for the same potential violation may be issued to the same Participant during a rolling twelve month period. In accordance with Rule 214, the Exchange will enter into a Regulatory Services Agreement ("**RSA**") with the National Futures Association (the "**NFA**"), which will act as the Exchange's Regulatory Services Provider. The RSA is attached as Exhibit N-1. The Exchange, with the assistance of the NFA, will perform automated trade surveillance, an investigative function, and real-time market monitoring. The NFA will maintain an automated trade surveillance system capable of detecting potential trade practice violations for further investigation. The Exchange will retain ultimate decision-making authority with respect to any powers or functions that are delegated to the NFA or any other Regulatory Services Provider. Pursuant to Rule 207, the Regulatory Oversight Committee (the "**ROC**") will oversee all facets of the Exchange's regulatory program and will prepare an annual report assessing the effectiveness and sufficiency of the Exchange's self-regulatory program. This annual report will include a description of the self-regulatory program and its expenses, staffing, and structure; a catalogue of investigations and disciplinary actions taken during the year; and a review of the performance of the Exchange's disciplinary committees and panels, as well as any proposals to remedy unresolved regulatory deficiencies. The annual report will also include an assessment of the capacity and resources of the NFA to provide timely and effective regulatory services under the RSA.
Core Principle 3 - Contracts Not Readily	Trading on or through the Exchange will initially be limited to one contract, which is a

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Subject to Manipulation: The board of trade shall list on the contract market only contracts that are not readily susceptible to manipulation.	futures contract on an agricultural commodity index (the "Contract"). The Contract will be settled in cash, based on trading on the Exchange, and will be cleared through the Minneapolis Grain Exchange ("MGEX"). The settlement prices of the Contract will be based on a weighted average price of ten major U.S. exchange-traded agricultural futures contracts that are currently listed on CBOT and ICE.[1] The final settlement prices of each of the ten agricultural futures contracts are published by CBOT and ICE on a daily basis. The weighted average price of the index components will be calculated using a formula that incorporates the quantity of water required to produce each underlying commodity (the "Water Requirement"), the water content of each such commodity (the "Water Content"), the global production of each commodity (the "Global Production"), and the prices of futures contracts for each commodity (the "Futures Prices"). Global Production will be based on the five-year average global production of each commodity, and will be announced by the Exchange each time a particular Water Futures Index contract expiration month is listed for trading. Each of the terms of a futures contract is set forth in additional detail in the relevant Contract specification pursuant to Rule 403. The Contract will not be readily susceptible to manipulation for the following reasons. First, the Contract will be a cash-settled index contract and the index will consist solely of actively traded individual commodity futures contracts that are listed by CBOT and ICE. Therefore, the trading of these underlying futures contracts is currently subject to oversight by Designated Contract Markets and regulated by the National Futures Association and Commodity Futures Trading Commission, and is subject to the requirements of the Commodity Exchange Act and CFTC regulations, including the prohibitions on fraud and manipulation. Given that the underlying futures contracts are actively traded in well-regulated liquid markets, the prices generated by the markets for such contracts are competitively determined, verifiable and transparent, and are

[1] The ten futures contracts are: (i) CBOT Corn, (ii) CBOT Wheat, (iii) CBOT Oats, (iv) CBOT Rough Rice, (v) CBOT Soybeans, (vi) ICE Cocoa, (vii) ICE Coffee "C", (viii) ICE Sugar #11, (ix) ICE Orange Juice Concentrated and (x) ICE Cotton #2.

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	themselves not readily susceptible to manipulation. Second, there are comprehensive and transparent rules regarding how constituents of the Water Futures Index will be selected and how the Index will be calculated, and publicly available requirements and an oversight structure governing any changes that are made to the methodology, making it difficult for selection practices to be changed for purposes of manipulation. Moreover, the data and values used in calculating the Water Futures Index are generally publicly available.[2] As a result, the pricing methodology of the Water Futures Index is transparent and easily replicable by market participants. Third, because no underlying futures contract currently comprises more than [30%] of the Index, it would most likely be necessary to manipulate the prices of multiple underlying futures contracts, which, as noted, are themselves subject to surveillance and anti-manipulation protections, in order to manipulate the Index. It is unlikely that this could be accomplished and virtually impossible for it to be attempted without detection. Fourth, because the Index is cash-settled, there is a theoretically inexhaustible supply of positions in the Contract and there is no underlying cash market that could potentially be manipulated in order to affect the value of the Index. Of course, the constituent futures contracts are themselves based on physical commodities with finite supplies, but, as

[2] Specifically:

- The Water Requirement values are from Table 3 of an article by M. M. Mekonnen and A. Y. Hoekstra (2011), "The green, blue and grey water footprint of crops and derived crop products," *Hydrology and Earth System Sciences* 15 (1577-1600) and available at http://www.hydrol-earth-syst-sci.net/15/1577/2011/hess-15-1577-2011.pdf.
- The Water Content values are obtained from standard industry sources.
- The Global Production values are from the Food and Agriculture Organization ("FAO") of the United Nations, except for Orange Juice which is from the U.S. Department of Agriculture because no FAO value is available.
- The Futures Prices are from two U.S. exchanges, CBOT and ICE, and are converted to cents per metric ton of commodity using standard conversion factors.

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	noted, it would be necessary to manipulate the prices of multiple futures contracts in order to affect the Index value. Finally, the Rulebook imposes various restrictions that are designed to prevent manipulation. In particular, Rule 210 prohibits insiders (e.g., direct or indirect owners of the Exchange, its directors, officers, committee members, regulation department members and employees) from trading in Contracts or related contracts absent prior written consent from the Exchange; and Rule 602 imposes a number of restrictions on trading activity on the Exchange and explicitly prohibits price and market manipulation, and bars persons from acting directly or indirectly on the basis of non-public Order information. In addition, the Exchange, through its Regulatory Service Provider, will maintain constant surveillance of the markets for trading in the Contract and will employ anti-manipulation tools to detect and act upon any attempted or actual manipulations.
Core Principle 4 - Prevention of Market Disruption: The board of trade shall have the capacity and responsibility to prevent manipulation, price distortion, and disruptions of the delivery or cash-settlement process through market surveillance, compliance, and enforcement practices and procedures, including— (A) methods for conducting real-time monitoring of trading; and (B) comprehensive and accurate trade reconstructions.	Pursuant to Rule 207, the ROC will consist of Public Directors, report to the Board and oversee the Exchange's regulatory program on behalf of the Exchange and have the authority to monitor the regulatory program of the Exchange for sufficiency, effectiveness, and independence. The ROC will oversee all facets of the regulatory program, including: (i) trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Participants (including compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); (ii) the conduct of investigations; (iii) reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel; (iv) supervising and reviewing the Chief Regulatory Officer of the Exchange, who will report directly to the ROC; (v) recommending changes that would ensure fair, vigorous, and effective regulation; (vi) reviewing all regulatory proposals prior to implementation and advising the Board as to whether and how such changes may impact regulation; and (vii) reviewing such other matters and performing such additional activities within the scope of its responsibilities, as the Board or Committee deems necessary or appropriate. Rules 602 and 603 set forth certain prohibited trading practices and specifically proscribe

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	manipulation, price distortion, certain gratuities and disruptive trading practices. Subject to the oversight of the ROC, the Chief Regulatory Officer will oversee the monitoring, surveillance and other enforcement functions of the Exchange with the support of the Regulatory Compliance Department. The Regulatory Compliance Department will consist of Exchange Officials and agents of the Exchange (including the NFA, as the Exchange's Regulatory Services Provider) that assist the Exchange in the implementation, surveillance and enforcement of the Rules and applicable law. Exhibit O to this application describes the Exchange's trade practice surveillance system and real-time monitoring of trading activity, as well as the process through which the Exchange will collect, monitor and evaluate audit trail data to support its enforcement efforts. Exhibit O also further describes the assistance that the NFA will provide to the Regulatory Compliance Department in ensuring compliance with the Rules and Applicable Law. Pursuant to Rule 411, Participants that access the AIX System electronically are responsible for maintaining or causing to be maintained Audit Trail information for all electronic orders. Audit Trail information must be maintained for a minimum of five years and Participants must produce Audit Trail data in a standard format upon the request of the Exchange. The Regulatory Compliance Department has access to information related to the Exchange's Contracts, including relevant contracts at other exchanges, news events and economic reports, and historical price and volume information. Additionally, Rule 213 specifically contemplates information-sharing arrangements with U.S. Department of Justice and requires that such books and records be readily accessible for inspection during the first two years of such five year period. The Exchange has adopted certain risk controls and risk management functionalities. Additionally, Rule 306(b) requires each Participant to employ practices to monitor and enforce compliance with its internal risk limits and to be responsible for all Orders and Transactions effected on the Exchange by or for such Participant's account.

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Core Principle 5 - Position Limitations or Accountability: (A) In General.—To reduce the potential threat of market manipulation or congestion (especially during trading in the delivery month), the board of trade shall adopt for each contract of the board of trade, as is necessary and appropriate, position limitations or position accountability for speculators. (B) Maximum Allowable Position Limitation.—For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a), the board of trade shall set the position limitation of the board of trade at a level not higher than the position limitation established by the Commission.	Rules 605 through 609 set forth the Exchange's rules on position limits and accountability. Rule 605 sets out position limits and exemptions including exemptions for bona fide hedging transactions and positions as applicable. A Person seeking an exemption must apply to the Regulatory compliance Department and, among other things, provide a description of the exemption sought, an explanation of the underlying exposure, agree to provide documentation of the Person's financial condition, agree with all terms of the Regulatory Compliance Department's conditions, agree that the Regulatory Compliance Department may modify the exemption, agree to initiate and liquidate positions in an orderly manner and agree to submit promptly a supplemental statement to the Regulatory Compliance Department if there is a material change. This rule also sets out some of the penalties for violations of the Rule. Rule 606 provides obligations in connection with reports of large positions including a daily report of positions that need to be reported as set forth in Appendix B, positions in Contracts at or above the reportable level as set forth in Appendix B, the form of the submission, and the use of CFTC Form 102. Rule 607 imports CFTC aggregation regulations for applicable Contracts. Rule 608 establishes position limits and reporting levels for Contracts as laid out in Appendix B to the Rulebook. Pursuant to Rule 402, the Exchange may impose or modify trading limits, price limits, and position limits in the event of an Emergency. The Exchange may implement temporary emergency procedures and rules subject to applicable provisions of the CEA and CFTC. Emergency Rules require a vote of the Board at a duly convened meeting in order to be adopted and enforce. The Exchange will document the decision-making process related to such action and maintain such documentation for at least five years. The Exchange will sanction Participants for violating their obligations to observe position limits and/or position accountability levels pursuant to Chapter 7 of the Rulebook. Chapter 7 lays out disciplinary and enforcement procedures, investigations, investigation reports, review of investigation reports, opportunity to respond, service of notice of charges, answer to service of notice of charges, settlement offers, disciplinary panels,

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	respondent review of evidence, conducting hearings of disciplinary proceedings, decision of a disciplinary panel, sanctions, summary actions, appeals from disciplinary panel decisions and summary actions, rights and responsibilities after suspension or termination and notice to the respondent, the CFTC and the public.
Core Principle 6 - Emergency Authority: The board of trade, in consultation or cooperation with the Commission, shall adopt rules to provide for the exercise of emergency authority, as is necessary and appropriate, including the authority— (A) to liquidate or transfer open positions in any contract; (B) to suspend or curtail trading in any contract; and (C) to require market participants in any contract to meet special margin requirements.	The Exchange has adopted procedures and guidelines for implementing an emergency intervention in the market. Pursuant to Rule 402, the Exchange may implement Emergency Rules, subject to applicable provisions of the CEA and CFTC Regulations. Emergency Rules may require or authorize the Board, any committee of the Board, the Chief Executive Officer, or in his or her absence any other Officer, to take actions necessary or appropriate to respond to the Emergency, including, but not limited to the following actions: (i) suspending or curtailing trading or limiting trading to liquidation only (in whole or in part); (ii) extending or shortening the last trading date for Contracts; (iii) providing alternative settlement mechanisms; (iv) ordering the liquidation or transfer of Transactions, the fixing of a Settlement Price, or the reduction of positions; (v) extending, limiting or changing the Trading Hours; (vi) temporarily modifying or suspending any provision of the Rules; (vii) requiring Participants to meet special margin requirements; (viii) imposing or modifying trading limits, price limits and/or position limits; and/or (ix) any other action as directed by the CFTC. Pursuant to Rule 402(d), before any Emergency Rule may be adopted and enforced, the Board must approve the enforcement of such Emergency Rule at a duly convened meeting. Directors may attend such a meeting by teleconference. If the Chief Executive Officer, or another authorized Officer, determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the Chief Executive Officer or such other authorized Officer shall have the authority, without Board action, to implement any Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Executive Officer or such other authorized Officer must convene a meeting as soon as practicable. Whenever the Exchange, the Board, any committee of the Board, the Chief Executive

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	Officer or an authorized Officer takes actions necessary or appropriate to respond to an Emergency, a duly authorized representative of the Exchange, where possible, will post an announcement in a notice to Participants. Rule 316 addresses Notices to Participants and provides that the Exchange will publish a notice in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it. The Exchange will use reasonable efforts to notify the CFTC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not possible or practicable, the Exchange will notify the CFTC as soon as possible or reasonably practicable. Any action taken in respect of any Emergency remains subject to the conflict of interest requirements set out in Rule 211. This rule addresses various potential conflicts of interest including a named party in interest and a financial interest in a significant action. Rule 211 also requires that the minutes of any meeting to which the conflicts determination procedures set forth in that rule will apply will reflect certain information including names of members of the deliberating body, information reviewed and the determination.
Core Principle 7 - Availability of General Information: The board of trade shall make available to market authorities, market participants, and the public accurate information concerning— (A) the terms and conditions of the contracts of the contract market; and (B) (i) the rules, regulations, and mechanisms for executing transactions on or through the facilities of the contract market; and (ii) the rules and specifications	The Exchange will post general information, including Contract Specifications and the Rules, on the Exchange's website [**AIX WEBSITE**]. A copy of the Rules, any Rule amendments, notices of non-confidential regulatory submissions and new product listing will be made available through the Exchange's website. Additionally, a technical overview of the AIX System will be posted on the Exchange's website.

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describing the operation of the contract market's— (I) electronic matching platform; or (II) trade execution facility.	
Core Principle 8 - Daily Publication of Trading Information: The board of trade shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market.	Pursuant to Rule 405(c), the Exchange will publish daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded Contracts on the contract market. The Exchange will also publish the total quantity of Block Trades that are included in trading volume for each day. Trading information will be published on the Exchange website at the end of the day.
Core Principle 9 - Execution of Transactions: (A) *In General*.—The board of trade shall provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade. (B) *Rules*.—The rules of the board of trade may authorize, for bona fide business purposes— (i) transfer trades or office trades; (ii) an exchange of— (I) futures in connection with a cash commodity transaction; (II) futures for cash commodities; or (III) futures for swaps; or (iii) a futures commission merchant,	The Exchange operates an electronic trade execution system. The Exchange will conduct periodic objective testing and review of the AIX System to ensure it is reliable, secure and scalable as described in the Technology Questionnaire included in Exhibit V. Rule 505(b) allows the transfer of a Contract to another Clearing Member only upon notice to the Exchange and in accordance with the rules of the Clearing House provided, in general, that the transfer merely constituted a change from one account to another account, provided the underlying beneficial ownership in said accounts remains the same; an error has been made in the clearing of a trade and the error is discovered and the transfer is completed within two Business Days after the trade date; or the transfer constitutes a transfer of positions from a Customer to the Clearing Firm's house account in the event of a Customer default. The rules governing Block Trades are described in Rule 406, which requires fair pricing and prevents Block Trades from affecting orders in the regular market. A block trade must be for a quantity that is at or in excess of the applicable minimum thresholds, and orders may not be aggregated unless expressly permitted under applicable law. Each

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acting as principal or agent, to enter into or confirm the execution of a contract for the purchase or sale of a commodity for future delivery if the contract is reported, recorded, or cleared in accordance with the rules of the contract market or a derivatives clearing organization.	Participant must be an Eligible Contract Participant. A Broker may submit a Block Trade to the Exchange only on behalf of Participants that have specified that such Order be executed as a Block Trade subject to the Rules of the Exchange. Parties to a Block Trade must ensure that each Block Trade is submitted without delay upon execution of the trade subject to certain conditions. Brokers and other Participants involved in the execution of Block Trades must maintain written or electronic records of all such Block Trades. Rule 407 permits Participants to enter into exchange for physical and exchange for swap transactions, subject to compliance with the requirements of that Rule. The Rule provides for Exchange for Physical transactions and Exchange for Swap transactions. There are also reporting and clearing obligations in connection with Exchange for Related Physical transactions. Rule 408 permits, upon approval by the Exchange, position transfers that are conducted for administrative purposes where no change in ownership is involved. These position transfers do not contribute to any reported Exchange volumes, price or trading range information.
Core Principle 10 - Trade Information: The board of trade shall maintain rules and procedures to provide for the recording and safe storage of all identifying trade information in a manner that enables the contract market to use the information— (A) to assist in the prevention of customer and market abuses; and (B) to provide evidence of any violations of the rules of the contract market.	The Exchange will record and maintain all information with respect to each Order (whether or not such Order results in a consummated trade) and each consummated trade, as well as all other information relating to the trade environment that determines the matching and clearing of trades (e.g., information from clearing firms indicating the number and types of Contracts such clearing firms will clear for Participants). As such, any Order submitted to the AIX System can be tracked from the time it is entered into the system until the time that it is matched, cancelled, or otherwise removed. Procedures relating to Data Retention are contained in Exhibit S of this Application. Rule 411 imposes certain recordkeeping and audit trail information. The information to be maintained will include Order entry, modification, and cancellation records.
Core Principle 11 - Financial Integrity of	The Exchange has established a comprehensive set of rules and procedures to ensure

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Transactions: The board of trade shall establish and enforce— (A) rules and procedures for ensuring the financial integrity of transactions entered into on or through the facilities of the contract market (including the clearance and settlement of the transactions with a derivatives clearing organization); and (B) rules to ensure— (i) the financial integrity of any— (I) futures commission merchant; and (II) introducing broker; and (ii) the protection of customer funds.	the financial integrity of transactions entered into on the Exchange and to require the safeguarding of customer funds. The Exchange will enter into a clearing arrangement with the Minneapolis Grain Exchange (MGEX). As set forth in Exhibit T of this Application, clearing members of MGEX will be guaranteeing the Exchange's trades. Chapter 5 provides that all Contracts shall be cleared through the Clearing House in accordance with applicable Clearing House rules and the Rules set forth in Chapter 5. This includes the requirement for submission of Contracts to the Clearing House, a requirement for Clearing Members to be members of the Clearing House, applicability of Clearing House rules, additional terms applicable to clearing, rules for concurrent long and short positions, rules for trade nullification, and the requirement for a clearing guarantee. Rule 305 sets forth the minimum financial requirements for Participants. In addition to meeting the Rule's financial requirements, Participants that are not registered with the CFTC must submit annual audited financial statements certified by a certified public accountant to the Exchange or the NFA, as the Exchange's Regulatory Services Provider, within ninety calendar days of the Participant's fiscal year-end. Participants who are registered with the CFTC as FCMs must remain in compliance with the financial requirements and related reporting requirements of CFTC Regulations and a copy of any notices or written reports filed with the CFTC must also be filed with the Exchange, which allows the Exchange to assess its Participants' compliance with minimum financial requirements as well as their obligations to protect customer funds.
Core Principle 12 - Protection of Markets and Market Participants: The board of trade shall establish and enforce rules— (A) to protect markets and market participants from abusive practices committed by any party, including abusive practices committed by a party acting as an agent for a participant; and	Chapter 6 of the Rulebook protects the market and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices. Rule 601 addresses ethical standards including good faith, transaction integrity and risk management. Rule 602 sets forth rules in connection with sound trading practices including price manipulation, fictitious, non-competitive or artificial transactions; fraudulent acts; market manipulation; market disruption, gratuities; disruptive trading practices; false reports; wash sales; acts detrimental to the Exchange; supervision; and

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(B) to promote fair and equitable trading on the contract market.	disclosing order information. Rule 603 provides a prohibition against pre-arranged, pre-negotiated and noncompetitive trades. Rule 604 addresses disciplinary procedures and terminations of connections. Rule 605 provides for position limits and exemptions. Rule 606 sets forth obligations in connection with the reports of large positions. Rule 607 sets forth rules for aggregation of positions. Rule 608 concerns reporting levels and position limits. Rule 609 pertains to information disclosure and documentation. Improper conduct and trade practices will be investigated and disciplined as described in Chapter 7 of the Rulebook. This chapter addresses disciplinary and enforcement procedures, investigations, investigation reports, the review of investigation reports, the opportunity to respond, the answer to service of notice of charge, settlement offers, disciplinary panel, respondent review of evidence, conducting hearings of disciplinary proceedings, decision of a disciplinary panel, sanctions, summary actions, appeal from disciplinary panel decisions and summary actions, rights and responsibilities after suspension or termination. The NFA will assist the Exchange by conducting trade practice, market and financial surveillance monitoring as set forth on Exhibit O. Exchange staff will coordinate with the NFA to ensure that real-time monitoring is integrated with the NFA's surveillance functions.
Core Principle 13 - Disciplinary Procedures: The board of trade shall establish and enforce disciplinary procedures that authorize the board of trade to discipline, suspend, or expel members or market participants that violate the rules of the board of trade, or similar methods for performing the same functions, including delegation of the functions to third parties.	Chapter 7 of the Rulebook describes the Exchange's disciplinary procedures that authorize the Exchange to discipline, suspend, or expel Participants that violate the Exchange's Rules. The jurisdiction of the Exchange is set forth in Rule 301. See Core Principle 2 (Compliance with Rules); Core Principle 4 (Prevention of Market Disruption) and Core Principle 12 (Protection of Markets and Market Participants).
Core Principle 14 - Dispute Resolution: The board of trade shall establish and enforce rules	Chapter 8 of the Rulebook establishes Rules concerning alternative dispute resolution, which provide for resolution of disputes among Participants through the NFA. Under

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regarding, and provide facilities for alternative dispute resolution as appropriate for, market participants and any market intermediaries.	Chapter 8, arbitration is available for all disputes, controversies, or claims among all Exchange Participants relating to Exchange activities. Chapter 8 addresses customer arbitration, claims relating to trade cancellations or price adjustments, notices, the right to counsel, exceptions and penalties. Arbitration will be conducted in Chicago, Illinois, by an arbitrator operating in accordance with the NFA's code of Arbitration and Member Arbitration Rules. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including the issuance of an injunction.
Core Principle 15 - Governance Fitness Standards: The board of trade shall establish and enforce appropriate fitness standards for directors, members of any disciplinary committee, members of the contract market, and any other person with direct access to the facility (including any party affiliated with any person described in this paragraph).	Persons involved in the governance of, and persons trading on, the Exchange will be subject to fitness and eligibility criteria under the Rules. More specifically, Board members, individuals serving on committees established by the Board, or on any Disciplinary Panel or Appeals Panel, or who hold a ten percent or more ownership interest in the Exchange are subject to the fitness standards set forth in Rule 205. Each Director must certify his or her satisfaction of the fitness standards at least annually. Participants are subject to eligibility standards under Rule 304.
Core Principle 16 - Conflicts of Interest: The board of trade shall establish and enforce rules— (A) to minimize conflicts of interest in the decision making process of the contract market; and (B) to establish a process for resolving conflicts of interest described in subparagraph (A).	Rule 203(a) minimizes conflicts of interests by requiring that, at all times, not less than thirty-five percent of the Directors, and no fewer than two Directors, are Public Directors. In addition, Rule 209 establishes rules to minimize conflicts of interest and a process for resolving conflicts of interest. Rule 210(a) limits the use and disclosure of material non-public information gained in connection with a member's participation on the Board or any committee for any purpose other than the performance of his or her official duties as a member of the Board or committee. As described in Rule 207, the Exchange will have a ROC that is composed solely of Public Directors. The ROC will oversee the Exchange's regulatory program on behalf of the Board, which role includes supervising the Chief Regulatory Officer in minimizing conflicts of interests. Under Rule 709(a), at least one member of each Disciplinary Panel must meet the qualifications for being a Public Director, and no member of the Panel may have a

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	financial or personal interest in the matter under consideration. Under Rule 709(b), a respondent may disqualify any individual named to a Disciplinary Panel for reasonable grounds, including that such individual has a financial interest in the matter.
Core Principle 17 - Composition of Governing Boards of Contract Markets: The governance arrangements of the board of trade shall be designed to permit consideration of the views of market participants	Organizational documents, including the Articles of Organization and Operating Agreement of AQUA-INDEX EXCHANGE, LLC (the "**Operating Agreement**"), are provided in Exhibit G. Pursuant to the Operating Agreement, the AQUA-INDEX EXCHANGE, LLC will be governed by a Board of Directors which shall consist of five directors, at least two of whom shall be Public Directors, and at all times not less than thirty-five percent of the Directors, and never fewer than two Directors, shall be Public Directors. As described in Rule 207, the ROC, which consists solely of Public Directors, oversees the Exchange's regulatory program on behalf of the Board. The ROC will also prepare an annual report assessing, for the Board and CFTC, the regulatory program of the Exchange. The charter for the ROC is attached in Exhibit G. The initial composition contemplated for the Board is described further in Exhibit B. Fitness standards applicable to members of the Board are described in Exhibit C.
Core Principle 18 - Recordkeeping: The board of trade shall maintain records of all activities relating to the business of the contract market— (A) in a form and manner that is acceptable to the Commission; and (B) for a period of at least 5 years.	The Exchange's recordkeeping program satisfies the relevant criteria set forth in CFTC Regulation 1.31. Under Rule 207, the ROC will oversee all facets of the regulatory program, including compliance with recordkeeping requirements. Under Rule 212, the Exchange will (i) keep, or cause to be kept, complete and accurate books and records of accounts of the Exchange, including all books and records required to be maintained pursuant to the CEA and the CFTC Regulations, and (ii) retain all such books and records for at least five years, and shall make such books and records readily accessible for inspection by the CFTC and the U.S. Department of Justice during the first two years of such five-year period. Under Rule 903, the Exchange may record conversations and retain copies of electronic communications between Exchange Officials and Participants and their Authorized Users or other agents. Any such recordings may be retained by the Exchange or the NFA, as Regulatory Services Provider, in such manner and for such periods of time as the Exchange may deem

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	necessary or appropriate, including as may be required by Applicable Law. Under Rule 401(b), the Exchange may adopt further procedures to record and account for Contracts. Exhibit S describes the procedures for maintaining trade data for transactions on the Exchange.
Core Principle 19 - Antitrust Considerations: Unless necessary or appropriate to achieve the purposes of this Act, the board of trade shall not— (A) adopt any rule or taking any action that results in any unreasonable restraint of trade; or (B) impose any material anticompetitive burden on trading on the contract market.	The Exchange's Rules and policies have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading. In particular, access to the Exchange will not require the acquisition of any equity interest but will be available to a broad range of Participants on a fair, equitable and timely basis. The AIX System matches Orders based on an algorithm, which does not discriminate between different categories or classes of participants. Moreover, pursuant to Rule 405(c), the Exchange will publish daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market. Trading information will be published on the Exchange website at the end of the day.
Core Principle 20 - System Safeguards: The board of trade shall: (A) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and the development of automated systems, that are reliable, secure, and have adequate scalable capacity; (B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for the timely recovery and resumption of operations and the fulfillment of the responsibilities and obligations of the board of trade; and (C) periodically conduct tests to verify that backup resources are sufficient to ensure	The Exchange has developed a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures. Materials submitted in Exhibit V, including the Technology Questionnaire, explain the controls to be used to ensure the proper function, adequate security and capacity of automated trading systems and related systems such as those used for dissemination of market data and recording and safe storage of audit trail information. These controls include periodic, objective testing and review of automated systems to ensure that these systems are reliable, secure and have adequate scalable capacity. Results of such testing are retained as described with respect to Core Principle 18 (Recordkeeping). The Exchange maintains a business continuity / disaster recovery plan as explained in the Technology Questionnaire. The Exchange may take Emergency actions under Rule 402. See Core Principle 6 (Emergency Authority).

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continued order processing and trade matching, price reporting, market surveillance, and maintenance of a comprehensive and accurate audit trail.	
Core Principle 21 - Financial Resources: (A) *In General*.—The board of trade shall have adequate financial, operational, and managerial resources to discharge each responsibility of the board of trade. (B) *Determination of Adequacy*. —The financial resources of the board of trade shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the contract market to cover the operating costs of the contract market for a 1-year period, as calculated on a rolling basis.	The Exchange will maintain financial resources that exceed the total amount that would enable the contract market to cover the operating costs of the contract market for a one-year period, as calculated on a rolling basis. Exhibit I includes a balance sheet, statement of income and expenses, statement of cash flows, and statement of sources and application of revenues and all notes or schedules thereto as well as a narrative of how the value of the financial resources available to the Exchange is at least equal to a total amount that would enable the Exchange to cover its operating costs for a period of at least one year, calculated on a rolling basis, and a description of available unencumbered liquid financial assets equal to at least six months operating costs. The projections in Exhibit I take into account the forecasted costs of development that would be incurred prior to initiating operations as a designated contract market.
Core Principle 22 - Diversity Of Board of Directors: The board of trade, if a publicly traded company, shall endeavor to recruit individuals to serve on the board of directors and the other decision-making bodies (as determined by the Commission) of the board of trade from among, and to have the composition of the bodies reflect, a broad and culturally diverse pool of qualified candidates.	Not applicable. The Exchange will not be a publicly traded company.
Core Principle 23 - Securities and Exchange Commission: The board of trade shall keep	Not applicable. No Contracts will meet the definition of swap provided in section 1a(47)(A)(v) of the CEA.

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any such records relating to swaps defined in section 1a(47)(A)(v) open to inspection and examination by the Securities and Exchange Commission.	

Exhibit M

Aqua-Index Exchange Rulebook

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE EXCHANGE, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A PARTICIPANT OR AUTHORIZED USER AGREES (I) TO BE BOUND BY, AND COMPLY WITH, THE RULES AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, HIM OR HER, (II) TO BECOME SUBJECT TO THE JURISDICTION OF THE EXCHANGE WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT OR AUTHORIZED USER, AND (III) TO ASSIST THE EXCHANGE IN COMPLYING WITH ITS LEGAL AND REGULATORY OBLIGATIONS, COOPERATE WITH THE EXCHANGE AND THE CFTC IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING AND AUTHORIZE THE EXCHANGE TO PROVIDE INFORMATION REGARDING IT TO THE REGULATORY SERVICES PROVIDER, THE CFTC OR ANY SELF-REGULATORY ORGANIZATION. SEE CHAPTER 3 AND THE RELATED DEFINITIONS IN THIS RULEBOOK.

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CHAPTER 1. DEFINITIONS

RULE 101. Definitions

Unless the Rules specifically provide otherwise or the context otherwise requires, the following terms shall have the meanings as follows:

AIX Exchange or ***Exchange.*** AQUA-INDEX EXCHANGE, LLC, an Illinois limited liability company designated by the CFTC as a contract market. References to the Exchange include reference to the AIX System, as appropriate.

Affiliate. A Person who directly or indirectly, controls, is controlled by, or is under common control with another Person.

AIX System. The Exchange's electronic trade execution system that is used for trading Contracts, including any licensed software that is a part thereof from time to time, and any successor electronic trading system thereto.

Appeals Panel. A panel appointed by the Board to consider appeals under CHAPTER 7.

Applicable Law. With respect to any Person, any statute, law, regulation, rule or ordinance of any governmental or self-regulatory authority applicable to such Person, including the CEA and CFTC Regulations.

Audit Trail has the meaning set forth in RULE 411.

Authorized User. A natural person who is either employed by or is an agent of a Clearing Member or a Participant and who is authorized by the Exchange as an Authorized User in accordance with RULE 307.

Block Trade. A privately-negotiated transaction in a Contract that meets certain quantity thresholds and that is permitted to be executed off of the Exchange and reported in accordance with RULE 406.

Board. The Board of Directors of AQUA-INDEX EXCHANGE, LLC.

Broker. A regulated intermediary approved by the Exchange to enter into Transactions on behalf of customers.

Business Day. Any day on which the Exchange is open for trading.

CEA or Commodity Exchange Act. The Commodity Exchange Act, as it may be amended from time to time.

CFTC or ***Commission***. The Commodity Futures Trading Commission.

CFTC Regulations. The regulations of the CFTC, as they may be amended from time to time.

Chief Executive Officer. The individual appointed by the Board to serve as the Exchange's chief executive officer.

Chief Regulatory Officer. The individual appointed by the Board to serve as the Exchange's chief regulatory officer.

Clearing House. [The Minneapolis Grain Exchange] or such additional or successor central counterparties that are registered with the Commission as a derivative clearing organization with open access rules as the Exchange may designate from time to time to provide clearing services with respect to any or all of its Contracts.

Clearing Member. An entity meeting the requirements of, and approved for, clearing membership at the Clearing House that is authorized pursuant to the Clearing House Rules to clear trades in any or all Contracts. Except for those Clearing Members that clear solely for their own proprietary accounts, all other Clearing Members must be registered with the CFTC as FCMs (each, an "**FCM Clearing Member**").

Contract. Any contract, agreement or Transaction approved for trading on the AIX Exchange pursuant to these Rules.

Contract Specifications has the meaning set forth in RULE 403.

Director. An individual serving on the Board.

Disciplinary Action has the meaning set forth in RULE 701.

Disciplinary Offense has the meaning attributed to it in CFTC Regulation § 1.63(a)(6).

Disciplinary Panel. A panel responsible for conducting hearings, rendering decisions and imposing sanctions with respect to Disciplinary Actions pursuant to CHAPTER 7.

EFP has the meaning set forth in RULE 407.

EFRP has the meaning set forth in RULE 407.

EFS has the meaning set forth in RULE 407.

Eligible Contract Participant has the meaning set forth in Section 1a(18) of the CEA and in CFTC Regulation § 1.3(m).

Emergency means the occurrences or circumstances which, in the opinion of the Board, require immediate action to be taken in accordance with RULE 402, and which threaten, or may threaten, the fair and orderly trading in, or the settlement or integrity of, any Contract, including, without limitation, the following:

(A) any circumstance that may materially affect the performance of a Contract, including failure of the Clearing House system;

(B) 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, or 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; or any other contract market, clearing house, board of trade, or other exchange or trade association (foreign or domestic) that may have a direct impact on trading on the Exchange or the settlement legality or enforceability of any Contract;

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

(D) any circumstance that may have a severe, adverse effect upon the functions and facilities of the Exchange, including, but not limited to, 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 AIX System, or other system breakdowns or interruptions such as power, computer, communication or transportation systems or the Internet;

(E) the bankruptcy or insolvency of any Clearing Member or the imposition of any injunction or other restraint by any government agency, clearing house, court or arbitrator upon a Clearing Member which may affect the ability of a Clearing Member to trade in or perform on a Contract;

(F) any circumstance in which it appears to the Board that a Clearing Member or any other Person:

(1) has failed to perform on a Contract;

(2) is insolvent; or

(3) is in a financial or operational condition or is conducting business such that the Clearing Member or Person cannot be permitted to continue in business without jeopardizing the safety of Participants, other Clearing Members, the Exchange or the Clearing House; or

(G) any other unusual, unforeseeable or adverse circumstance as determined by the Exchange.

Exchange Official. Any Officer, any member of the Board, a committee established by the Board, a Disciplinary Panel or Appeals Panel, or any individual

employed by the Exchange, the Regulatory Services Provider or any individual rendering similar services to the Exchange under an administrative or similar agreement.

Exchange Requirements. The Rules; other requirements implemented by the Exchange pursuant to the Rules; each term of a Contract; and the participant documentation and other contractual obligations between a Participant (including its Authorized Users) and the Exchange.

FCM. A futures commission merchant as defined in Section 1a(28) of the CEA and CFTC Regulation § 1.3(p) and registered with the CFTC as such.

Governmental Authority. Any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity (including any Self-Regulatory Organization).

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

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

(B) 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;

(C) 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;

(D) 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..

Material Relationship. With respect to a director, has the meaning set forth in Appendix B to CFTC Part 38.

No Bust Range. The price range specified with respect to each Contract traded on the AIX System, as such range is published by the Exchange from time to time, within which trades that are reviewed pursuant to RULE 409 will not be busted or adjusted, except as set forth in the Rules of the Exchange.

Officer has the meaning given to it in RULE 204.

Operating Agreement. The Limited Liability Company Agreement of the Exchange, as amended or restated from time to time.

Order. Any order to buy or sell a Contract on or subject to the Rules of the Exchange.

Participant. A person that has signed the Participant Agreement for purposes of entering into Transactions on the AIX Exchange.

Participant Agreement. An agreement between AIX Exchange and a Participant which must be signed in order for a Participant to access the AIX Trading System for the execution of Transactions.

Person has the meaning set forth in Section 1a(38) of the CEA and CFTC Regulation § 1.3(u).

Position Transfer. A transaction in a Contract(s) that is executed by Exchange personnel for administrative purposes outlined in RULE 408.

Public Director. A Director who has been found by the Board, on the record, to have no Material Relationships with the Exchange in accordance with RULE 203.

Regulatory Compliance Department. All Exchange Officials or agents of the Exchange (including the Regulatory Services Provider(s)) that assist the Exchange in the implementation, surveillance and enforcement of the Rules and Applicable Law.

Regulatory Services Agreement. The agreement(s) between the Exchange and the Regulatory Services Provider(s) whereby certain functions mandated under the CEA,

such as market monitoring and trade practice surveillance, are delegated to the Regulatory Services Provider(s).

Regulatory Services Provider. The organization(s), if any, that provide regulatory services to the Exchange, together with any such organization's employees and agents.

Respondent. A Participant under investigation for alleged Rule violation(s) or against which charges have been filed.

Rules. Any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, including these Rules, in each case as adopted from time to time by the Exchange.

Self-Regulatory Organization has the meaning given to that term in CFTC Regulation § 1.3(ee) and includes a derivatives clearing organization that is registered as such with the CFTC.

Settlement Price. The price for each Contract supplied by the Exchange to the Clearing House at the end of each trading day

Transaction. Any purchase or sale of any Contract made on the Exchange.

Trading Hours. For any Business Day, the hours specified on the trading calendar at [**AIX WEBSITE**].

Trading Privileges. Any right granted to a Participant to access the AIX System.

User ID. A unique identification number assigned by the Exchange to a Participant to access the AIX System to place Orders.

RULE 102. Construction

Unless the Rules specifically provide otherwise or the context otherwise requires, the following rules of construction shall apply:

(a) References to any juridical person or Government Agency include any successor to such juridical person or Government Agency.

(b) References to any agreement, policy, statute or regulation refer to such agreement, policy, statute or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and references to any section of any agreement, policy, statute or regulation include any successor to such section.

(c) Terms defined in these Rules include the plural as well as the singular and vice versa.

(d) References to any gender include all genders.

(e) References to "include", "includes", or "including" shall be deemed to be followed by the words "without limitation."

(f) Headings are for convenience only and do not affect the construction of the Rules.

RULE 103. Amendment of Rules

New Rules of the Exchange may be adopted, and existing Rules of the Exchange may be amended or repealed by the Board. All such new Rules, amendments, or repeals shall become effective on such date (after any required filing with, or approval thereof by, the CFTC) as may be determined by the Exchange.

CHAPTER 2. GOVERNANCE

RULE 201. Management

The Exchange is an Illinois limited liability company. The management and operation of the Exchange is governed by the Exchange's Operating Agreement.

RULE 202. Board Powers

(a) The Board shall manage the day-to-day business operations of the Exchange, including determining which Contracts are available from time to time for trading subject to the Rules.

(b) The Board shall have the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of committees or special committees of the Board or any panel of the Exchange's officers related to the day-to-day business operations of the Exchange.

(c) The Board may act only by the decision of 80% of the Directors present at a meeting at which a quorum is present.

(d) The Board shall have procedures, as may be further set forth in policies that the Exchange may adopt, to remove a member from the Board where the conduct of such member is likely to be prejudicial to the sound and prudent management of the Exchange.

(e) The Board shall establish arrangements to permit consideration of Participants in connection with the functioning of the Exchange and with additions or amendments to the Rules and shall make a description of such arrangements available to the public and to the CFTC.

(f) The compensation of the Public Directors and other non-executive members of the Board shall not be linked to the business performance of the Exchange.

RULE 203. Board Composition

(a) The Board shall consist of five Directors, at least two of whom shall be Public Directors. At all times not less than thirty-five percent of the Directors, and never fewer than two Directors, shall be Public Directors. Each Director (including Public Directors) shall be appointed in accordance with the Operating Agreement, and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.

(b) To qualify as a Public Director, an individual must be found, by action of the Board, to have no Material Relationship with the Exchange. The Board must make such finding upon the nomination or appointment of the Director and as often as necessary in light of all circumstances relevant to such Director, but in no case less than annually.

(c) Each Director is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Exchange.

RULE 204. Officers

(a) Subject to the oversight of the Board, the Exchange shall appoint from time to time one or more individuals to serve as the Chief Executive Officer, Chief Regulatory Officer and such other officers of the Exchange or any subsidiary of the Exchange (each, an "**Officer**") as it may deem necessary or appropriate, with such titles, duties, and authority as the Exchange shall approve, to carry out the business of the Exchange or any subsidiary of the Exchange, and upon such terms and conditions as the Board shall determine.

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

(c) The Officers shall have such powers and duties in the management of the Exchange as the Board may prescribe from time to time, subject to the terms of the Operating Agreement.

(d) Each Officer is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Exchange.

RULE 205. Eligibility/Fitness

(a) An individual may not serve as a Board member, or serve on a committee established by the Board, a Disciplinary Panel or an Appeals Panel, or hold a 10% or more ownership interest in the Exchange, if the individual:

i. was found, within the past three years, by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization, to have committed a Disciplinary Offense;

ii. has entered into, within the past three years, 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;

iii. is currently suspended from trading on a Contract Market, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation, or owes any portion of a fine or penalty related to either: (A) a finding of a Disciplinary Offense by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization; or (B) 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;

iv. is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;

v. is currently, or within the past three years has been, subject to a revocation or suspension of registration by the CFTC;

vi. has been convicted of a felony listed in Section 8a(2)(D)(ii) through (iv) of the CEA;

vii. 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; or

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

ix. For purposes of RULE 205(a), the terms "final decision" and "settlement agreement" have the meaning given those terms in CFTC Regulation § 1.63(a).

(b) Each Director nominee shall certify to the Board that the nominee is not disqualified pursuant to paragraph (a) above. Each Director must certify to the Board that it is not disqualified pursuant to paragraph (a) above at least annually. Additionally, each Director shall inform the Exchange of any changes in registration information within thirty days. The Exchange shall verify information supporting Board compliance with eligibility criteria.

(c) Each director shall satisfy all fitness standards and otherwise meet all eligibility requirements for serving as a director of a designated contract market under the CEA and CFTC Regulations, including sufficient expertise, where applicable, in financial services, risk management, and clearing services.

RULE 206. Standing Committees

(a) The Board shall have a standing Regulatory Oversight Committee with the roles and responsibilities set forth in RULE 207.

(b) The Board may, from time to time, create and appoint or terminate such additional standing committees of the Board as it may deem necessary or advisable.

RULE 207. Regulatory Oversight Committee

(a) The Regulatory Oversight Committee shall consist of the Public Directors.

(b) The Regulatory Oversight Committee shall report to the Board.

(c) The Regulatory Oversight Committee shall oversee the Exchange's regulatory program on behalf of the Board and shall have the authority and responsibility to perform the following functions:

i. Monitor the regulatory program of the Exchange for sufficiency, effectiveness, and independence.

ii. Oversee all facets of the regulatory program, including:

(A) trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Participants (including compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);

(B) the conduct of investigations;

(C) reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel;

(D) supervising and reviewing the Chief Regulatory Officer of the Exchange, who will report directly to the Regulatory Oversight Committee;

(E) recommending changes that would ensure fair, vigorous, and effective regulation;

(F) reviewing all regulatory proposals prior to implementation and advising the Board as to whether and how such changes may impact regulation; and

(G) reviewing such other matters and performing such additional activities, within the scope of its responsibility, as the Board or the committee deems appropriate or necessary.

iii. Prepare an annual report assessing, for the Board and CFTC, the regulatory program of the Exchange. Such report shall: (A) describe the self-regulatory program; (B) set forth the expenses of the regulatory program; (C) describe the staffing and structure of the same; (D) catalogue Investigations and disciplinary actions taken during the year; and (E) review the performance of disciplinary committees and panels.

(d) In the event that the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee, the Exchange shall submit a written report to the CFTC detailing: (i) the recommendation or action of the Regulatory Oversight 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 208. Chief Regulatory Officer

(a) It shall be the duty of the Chief Regulatory Officer to enforce the Rules.

(b) The Chief Regulatory Officer shall have available to it at all times the resources of the Exchange as may be necessary to conduct investigations of alleged rule violations and market conditions.

(c) The Chief Regulatory Officer shall report to, and shall be supervised by, the Regulatory Oversight Committee.

(d) The Chief Regulatory Officer shall have the authority to inspect the books and records of all Participants in connection with their activity on the Exchange and the authority to require any such entity to appear before him or her and produce its books and records and answer questions regarding alleged violations of Rules, at the time, place and in the manner it designates. The Chief Regulatory Officer may also delegate such authority to staff of the Exchange Regulation Department.

(e) The Chief Regulatory Officer shall, in consultation with the Regulatory Oversight Committee, resolve any conflict of interest pursuant to RULE 211.

RULE 209. Additional Board Committees and Exchange Panels

(a) In addition to the standing committees, subject to the Operating Agreement, the Board may from time to time constitute and appoint, special committees of the Board and designate their composition, responsibilities and powers. If any standing committee constituted by the Board shall exercise the functions of an Executive Committee then at least 35% and no fewer than two of such committee's members shall be Public Directors.

(b) The Exchange may create panels of the Exchange, for such purposes as may from time to time be necessary or advisable (each, an "**Exchange Panel**"). Members of each such panel may be Directors, natural persons who are

Supervised Persons of a Participant and such other natural persons as may be qualified to serve on such panel.

(c) Except as otherwise specifically provided in the Rules or the Operating Agreement, the members of any special committee or panel shall be appointed as determined by the Board. Each special committee and panel shall have a chairperson who shall be designated by the Board.

(d) Each additional committee established pursuant to RULE 209(a) or panel established pursuant to RULE 209(b) may supervise, manage or control the affairs of the Exchange to the extent it is duly authorized to do so by the Board.

(e) Subject to the authority of the Board, each additional committee or panel shall determine the manner and form in which its proceedings shall be conducted. Each additional committee or panel may act only by the decision of an absolute majority in number of the members of such committee or panel, either by vote at a meeting or by unanimous written consent without a meeting.

RULE 210. Material Non-Public Information

(a) No member of the Board or any committee established by the Board or by or pursuant to the Rules will use or disclose any material non-public information obtained in connection with such member's participation in the Board or such committee for any purpose other than the performance of his or her official duties as a member of the Board or such committee.

(b) Absent prior written consent from the Exchange, a direct or indirect owner of the Exchange, Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department,[1] employee or agent of the Exchange shall not during his or her association with the Exchange or thereafter:

i. trade, directly or indirectly, any Contracts traded on the Exchange;

ii. trade, directly or indirectly, in a contract, which is related to any Contract, traded on or cleared by contract markets or clearing organizations other than the Exchange if the person has access to material, non-public information concerning such contract;

iii. trade, directly or indirectly, in any commodity interest if such officer, employee or agent obtained material non-public information concerning such financial instrument in connection with such employee's, officer's or agent's employment; or

[1] NTD: Add as a defined term.

iv. disclose to any other Person material non-public information obtained in connection with such employee's, officer's or agent's employment, if such employee, officer or agent could reasonably expect that such information might assist another Person in trading any commodity interest.

The written consent from the Exchange shall specify the scope of information that may be disclosed, whom such information may be disclosed to, and the conditions, if any, that the recipient of such information must agree to prior to receiving such information.

(c) With prior written consent from the Exchange, a direct or indirect owner of the Exchange, and each Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, and other employee of the Exchange may participate in a pooled investment vehicle or other investment vehicle whose investments are directed by a third-party advisor if the individual has no direct or indirect control over transactions executed by the investment vehicles.

(d) Each employee of the Exchange shall be required to adhere to the policies and guidelines of the Exchange as in effect from time-to-time and shall, when and as requested, execute an acknowledgement of the Exchange's conflict of interest policy in the form provided by the Exchange.

(e) Any employee that trades in a commodity interest, under the limited circumstances as permitted by this RULE 210, shall provide to the Exchange an annual certification that the employee has not traded in any Exchange Contracts or in any related commodity interest or other commodity interest covered by this RULE 210, and shall provide records of the commodity interest trades conducted by the employee in the past year.

(f) Notwithstanding anything to the contrary in this RULE 210, any direct or indirect owner of the Exchange, and any Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, and other employee of the Exchange may disclose any non-public information to any (i) Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, or any other employee of the Exchange to the extent necessary or useful for such person to perform his or her official duties for the Exchange, (ii) any outside advisor to the Exchange to the extent necessary or useful for such outside advisor to perform his or her official duties for the Exchange provided that such outside advisor is subject to confidentiality obligations substantively the same as those imposed on employees of the Exchange by this RULE 210, (iii) if required by the CFTC or another government agency or Self-Regulatory Organization, or (iv) if compelled to do so by valid legal process, provided that the individual or entity making such disclosure notifies the Exchange.

(g) For the purposes of this RULE 210, the terms "material information," "non-public information," "linked exchange," "commodity interest" and "pooled investment vehicle" shall each have the meaning set forth in CFTC Regulation § 1.59(a).

RULE 211. Conflicts of Interest

(a) Named Party In Interest Conflict

i. No member of the Board, any Disciplinary Panel, any Appeals Panel or any other disciplinary committee of the Exchange will knowingly participate in such body's deliberations or voting in any matter involving a named party in interest where such member (A) is the named party in interest in the matter, (B) is an employer, employee or fellow employee of a named party in interest, (C) has any other significant, ongoing business relationship with a named party in interest, excluding relationships limited to Contracts, (D) has a family relationship with a named party in interest, or (E) otherwise has personal interests that may be prejudiced by a fair and impartial exercise of such member's authority.

ii. Prior to consideration of any matter involving a named party in interest, each member of the deliberating body who does not choose to abstain from deliberations and voting will disclose to the Chief Regulatory Officer whether such member has one of the relationships listed in clause (i) above with a named party in interest.

iii. The Chief Regulatory Officer will determine whether any member of the relevant deliberating body who does not choose to abstain from deliberations and voting is subject to a conflicts restriction under this clause (iii). Such determination will be based upon a review of the following information: (A) information provided by such member pursuant to clause (ii) above; and (B) any other source of information that is held by and reasonably available to the Exchange.

(b) Financial Interest in a Significant Action Conflict

i. No member of the Board, any Disciplinary Panel, any Appeals Panel or any other disciplinary committee of the Exchange will participate in such body's deliberations and voting on any significant action if such member has a direct and substantial financial interest in the result of the vote, as determined pursuant to clause (iii) below.

ii. Prior to consideration of any significant action, each member of the deliberating body who does not choose to abstain from deliberations and voting will disclose to the Chief Regulatory Officer any information that may be relevant to a determination of whether such member has a direct and substantial financial interest in the result of the vote.

iii. The Chief Regulatory Officer will determine whether any member of the relevant deliberating body who does not choose to abstain from deliberations and voting is subject to a conflicts restriction under this clause (iii). Such determination will be based upon a review of the following information: (A) the most recent large trader reports and clearing records available to the Exchange; (B) information provided by such member pursuant to clause (ii) above; and (C) any other information reasonably available to the Exchange, taking into consideration the exigency of the significant action being contemplated.

iv. Any member of the Board, any Disciplinary Panel, any Appeals Panel or any other disciplinary committee of the Exchange who would otherwise be required to abstain from deliberations and voting pursuant to clause (i) above may participate in deliberations, but not voting, if the deliberating body, after considering the factors specified below, determines that such participation would be consistent with the public interest; provided, however, that before reaching any such determination, the deliberating body will fully consider the information specified in clause (ii) above which is the basis for such member's substantial financial interest in the significant action that is being contemplated. In making its determination, the deliberating body will consider: (A) whether such member's participation in the deliberations is necessary to achieve a quorum; and (B) whether such member has unique or special expertise, knowledge or experience in the matter being considered.

(c) The minutes of any meeting to which the conflicts determination procedures set forth in this Rule apply will reflect the following information:

i. the names of all members of the relevant deliberating body who attended such meeting in person or who otherwise participated in such meeting;

ii. the name of any member of the relevant deliberating body who voluntarily recused himself or herself or was required to abstain from deliberations or voting on a matter and the reason for the recusal or abstention, if stated;

iii. the information that was reviewed for each member of the relevant deliberating body; and

iv. any determination made in accordance with clause (iv) of paragraph (b) above.

(d) If a determination is made that all Directors are Interested Persons with respect to a matter subject to a vote by the Board, the Chief Executive Officer will appoint a panel of individuals who are not Interested Persons with respect to such matter, which will have the same authority and powers over such

matter that the Board would have if the Directors were not Interested Persons with respect to such matter.

RULE 212. Maintenance of Books and Records by the Exchange

(a) The Exchange shall keep, or cause to be kept, complete and accurate books and records of accounts of the Exchange, including all books and records required to be maintained pursuant to the CEA, and the CFTC Regulations.

(b) The Exchange shall retain all such books and records for at least five years, and shall make such books and records readily accessible for inspection by the CFTC and the U.S. Department of Justice during the first two years of such five-year period.

RULE 213. Information-Sharing Arrangements

(a) The Exchange may enter into information-sharing agreements or other arrangements or procedures to coordinate surveillance with other markets on which financial instruments related to the Contracts trade. As part of any information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, the Exchange may:

i. provide market surveillance reports to other markets;

ii. share information and documents concerning current and former Participants with other markets;

iii. share information and documents concerning ongoing and completed investigations with other markets; or

iv. require its current or former Participants to provide information and documents to the Exchange at the request of other markets with which the Exchange has an information-sharing agreement or other arrangements or procedures.

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

(c) The Exchange may provide information to a duly authorized foreign Governmental Authority, as directed by the CFTC, in accordance with an information-sharing agreement executed with the CFTC.

RULE 214. Regulatory Services Provider

(a) The Exchange may contract with a Regulatory Services Provider to provide certain regulatory services to the Exchange pursuant to a Regulatory Services Agreement. In accordance with the relevant Regulatory Services

Agreement, a Regulatory Services Provider may perform certain surveillance, investigative, and regulatory functions under the Rules and the Exchange may provide information to such Regulatory Services Provider in connection with the performance by such Regulatory Services Provider of those functions.

(b) Any of the powers or functions of the Exchange under the Rules may be delegated to a Regulatory Services Provider pursuant to the relevant Regulatory Services Agreement in such manner and on such terms as the Exchange and such Regulatory Services Provider may mutually agree; provided, however, that the Exchange shall retain ultimate decision-making authority with respect to any powers or functions that are delegated to such Regulatory Services Provider.

RULE 215. Technology Services Provider

(a) The Exchange may contract with one or more Technology Services Providers to provide certain technology services to the Exchange pursuant to a Technology Services Agreement. In accordance with a Technology Services Agreement, a Technology Services Provider may perform certain functions under the Rules and the Exchange may provide information to the Technology Services Provider in connection with the performance by the Technology Services Provider of those functions.

(b) The Exchange shall retain ultimate decision-making authority with respect to any functions that are contracted to a Technology Services Provider.

RULE 216. Use of Proprietary Data and Personal Information

(a) The Exchange may not use for business or marketing purposes any proprietary data or personal information collected or received, from or on behalf of any Person, for the purpose of fulfilling its regulatory obligations; provided, however, that the Exchange may use such data or information for such purposes with the consent of the Person from whom such data or information is collected or received.

(b) Notwithstanding the provisions of paragraph (a) above, the Exchange may share such proprietary data or personal information with one or more registered entities (as such term is defined in CFTC Regulations).

(c) Access to the Exchange may not be conditioned upon the use of proprietary data or personal information for business or marketing purposes.

CHAPTER 3. TRADING PRIVILEGES

RULE 301. Jurisdiction

(a) BY ACCESSING, OR ENTERING ANY ORDER INTO, THE EXCHANGE, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A PARTICIPANT OR AUTHORIZED USER AGREES (I) TO BE BOUND BY, AND COMPLY

WITH, THE RULES AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, HIM OR HER, AND (II) TO BECOME SUBJECT TO THE JURISDICTION OF THE EXCHANGE WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT OR AUTHORIZED USER, AND (III) TO ASSIST THE EXCHANGE IN COMPLYING WITH ITS LEGAL AND REGULATORY OBLIGATIONS, COOPERATE WITH THE EXCHANGE AND THE CFTC IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING AND AUTHORIZE THE EXCHANGE TO PROVIDE INFORMATION REGARDING IT TO THE REGULATORY SERVICES PROVIDER, THE CFTC OR ANY SELF-REGULATORY ORGANIZATION. SEE THIS CHAPTER 3 AND THE RELATED DEFINITIONS IN THIS RULEBOOK.

(b) Any Participant or Authorized User whose Trading Privileges are revoked or terminated pursuant to these Rules will remain bound by the Rules and Applicable Law, in each case to the extent applicable, and subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant or Authorized User prior to such revocation or termination.

RULE 302. Trading Privileges

By virtue of obtaining Trading Privileges, a Participant will not become a limited liability company member of the Exchange and will not obtain any equity or other interest in the Exchange, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger or consolidation involving the Exchange or otherwise.

RULE 303. Participants

(a) Each Participant will have the right to access the AIX System, including the right to place Orders for each of its proprietary accounts, provided that such Participant is eligible for and has applied and received Trading Privileges.

(b) Subject to this CHAPTER 3, Trading Privileges shall be offered to all applicants from time to time approved by the Exchange as eligible to be Participants, subject to any limitation, restriction or revocation from time to time imposed by the Exchange. The Trading Privileges and access rights of a Participant hereunder may not be transferred, assigned, sold or leased.

RULE 304. Eligibility for Trading Privileges

(a) In order to obtain access to the AIX System, a Participant must be granted Trading Privileges and deliver an executed Participant Agreement.

(b) If the applicant is a natural person, that person must:

i. have attained the age of majority in his or her state of residence; and

ii. have satisfied other requirements as may be adopted from time to time by the Exchange.

(c) If the applicant is not a natural person (e.g., a corporation, partnership, sole proprietorship or trust), to be eligible for Trading Privileges, the Participant must demonstrate to the Exchange that it:

i. is of good reputation and business integrity;

ii. complies with the financial responsibility, recordkeeping and reporting requirements set out in RULE 306;

iii. is validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade Contracts;

iv. is not Insolvent;

v. is not prohibited from using the services of the Exchange for any reason whatsoever;

vi. holds all registrations required under Applicable Law, if any, including any FCM, Supervisory Person and/or Associated Person registration, as applicable;

vii. is not subject to statutory disqualification under Section 8a(2) of the CEA;

viii. satisfies any other criteria that the Exchange may from time to time require from a Participant.

(d) As part of the application procedure, the Exchange may request such information and documentation as it may reasonably require in order to determine whether the Exchange's eligibility requirements have been satisfied. Any Participant organized or located outside of the United States shall enter into a written agreement acceptable to the Exchange appointing a third party as its U.S. agent for service of process for purposes of CFTC Regulation § 15.05, and shall provide the Exchange with a copy of the agreement.

(e) The Exchange may deny, condition, suspend, or terminate the Trading Privileges of any entity that:

i. is unable to satisfactorily demonstrate its ability to satisfy the eligibility criteria to become or remain compliant as a Participant;

ii. is unable to meet any condition placed by the Exchange on such Trading Privileges or association;

iii. violates any agreement with the Exchange;

iv. is unable to satisfactorily demonstrate its capacity to adhere to all applicable Rules of the Exchange, Rules of the Clearing House and other applicable rules including, as applicable, registration, record-keeping, reporting, finance and trading procedures;

v. would bring the Exchange into disrepute as determined by the Exchange in its sole discretion; or

vi. shows such other cause as the Exchange may reasonably determine.

(f) If the Exchange decides to deny or condition an applicant's application, the Exchange shall promptly notify the applicant in writing to the address provided by the applicant on the Exchange application form.

(g) If the Participant is not itself a Clearing Member, the Participant must also be party to an agreement with a Clearing Member in accordance with RULE 502.

(h) A person approved as a Participant shall be subject to all of the Rules of the Exchange.

(i) Each applicant and each Participant agrees (i) promptly to provide, or procure the provision of, such information and documents as the Exchange may reasonably request, and (ii) that the Exchange, without being prevented by any duty of confidentiality by any holder of information, may obtain such information and documents from any Clearing Member or from the Clearing House.

(j) The Exchange shall grant access to independent software vendors that meet the requirements for Participants set out in this RULE 304.

(k) Any Person denied Trading Privileges or granted only conditional Trading Privileges pursuant to this RULE 304, and any Person not permitted to keep its Trading Privileges or whose Trading Privileges are conditioned pursuant to this RULE 304 may appeal the Exchange's decision in accordance with the provisions of RULE 715 relating to disciplinary proceeding appeals. No determination of the Exchange to discontinue or condition a Person's Trading Privileges or pursuant to this RULE 304 shall take effect until the review procedures under RULE 715 have been exhausted or the time for review has expired.

(l) Each application to become a Participant shall be in such form as may from time to time be prescribed by the Exchange. Each applicant to become a Participant shall promptly update the application materials if any of the information provided therein becomes inaccurate or incomplete after the date of submission and prior to any approval of the application. The Exchange shall act upon, and approve or disapprove, any such application without unreasonable delay.

(m) Each applicant to become a Participant shall:

i. submit to the Exchange a complete Participant application form in the manner prescribed by the Exchange;

ii. agree in writing to abide by the Rules of the Exchange and Applicable Law; and

iii. furnish all documents as may be requested by the Exchange and answer completely and accurately all questions posed by the Exchange.

(n) Upon the Exchange's approval of an applicant's Participant application, the applicant shall become a Participant and shall obtain Trading Privileges. If the application process is not completed within six months of the applicant's initial submission, the application shall be deemed to be withdrawn, unless extended by the Exchange.

RULE 305. Minimum Financial Requirements

(a) A Participant that is not registered with the CFTC as an FCM must:

i. maintain a net worth (excluding personal assets) of not less than $1,000,000; and

ii. immediately notify the Exchange or the Regulatory Services Provider, if any, if its net worth (excluding personal assets) declines below $1,200,000, and provide the Exchange or the Regulatory Services Provider, if any, with monthly financial statements by the tenth calendar day of each month thereafter until the Participants net worth exceeds $1,200,000 for two consecutive months.

For purposes of this RULE 305, "net worth" means the Participant's total assets (excluding personal assets) less total liabilities as computed by generally accepted accounting principles applied on a consistent basis.

(b) A Participant that is registered with the CFTC as an FCM must remain in compliance with the minimum financial and related reporting requirements of CFTC Regulations. A copy of any notice or written report that a Participant is required to file with the Commission pursuant to CFTC Regulation § 1.12 must also be filed with the Exchange. A Participant that violates any of the aforementioned CFTC Regulations will be deemed to have violated this RULE 305.

(c) A Participant that is an organization but not registered with the CFTC must submit to the Exchange or the Regulatory Services Provider, if any, annual audited financial statements certified by a certified independent public accountant (or by a Person having similar qualifications if the Participant's books of account are kept outside the United States) within ninety calendar days of the Participant's fiscal year-end.

(d) A Participant that is registered with or authorized or supervised by a Governmental Authority shall comply with the rules and regulation of such Governmental Authority relating to minimum financial and related reporting and recordkeeping requirements and shall provide to the Exchange and to the Regulatory Services Provider, if any, 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. A Participant that is not subject to such filing requirements shall provide the Exchange with such financial information as the Exchange may require from time to time.

RULE 306. Duties and Responsibilities of Participants

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

i. access the AIX System in a responsible manner and not for any improper purpose;

ii. access the AIX System only to conduct business that is subject to the Rules and the Exchange Requirements and in a manner consistent with the Rules and the Exchange Requirements;

iii. comply with the Rules and the Exchange Requirements and act in a manner consistent with the Rules and the Exchange Requirements;

iv. comply with the rules of the Clearing House that accepts for clearing a Contract traded by the Participant on the Exchange, to the extent applicable to such Participant and such Contract;

v. 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 Exchange;

vi. not knowingly mislead or conceal any material fact or matter in any dealings or filings with the Exchange or in connection with a Disciplinary Action;

vii. cooperate promptly and fully with the Exchange in any investigation, inquiry, audit, examination or proceeding regarding compliance with the Rules or any Disciplinary Action or arbitration;

viii. comply with any order issued by the Exchange;

ix. keep all User IDs, account numbers and passwords related to the AIX System and the Exchange confidential; and

x. keep, or cause to be kept, complete and accurate books and records, including, without limitation, all books and records required to be maintained pursuant to the Applicable Law, for at least five years, and

make such books and records available for inspection by a representative of the Exchange, the CFTC or the U.S. Department of Justice.

(b) In addition to the requirements of paragraph (a) above, each Participant shall employ practices to monitor and enforce compliance with its internal risk limits and shall be responsible for all Orders and Transactions effected on the AIX System or the Exchange by or for the account of such Participant, its Authorized Users or by any Person using its or their User IDs.

RULE 307. Authorized Users

(a) Each Participant that is not a natural Person must designate at least one of its employees as an Authorized User.

(b) By agreeing to become an Authorized User, an individual agrees to be bound by the duties and responsibilities of an Authorized User set out in RULE 308 and to be subject to, and comply with Applicable Law and the Rules.

(c) To designate an Authorized User, a Participant must follow the procedures established by the Exchange. The Exchange may establish criteria that individuals must fulfill to become an Authorized User. Without limiting the generality of the foregoing, each Participant will ensure on an ongoing basis that (i) none of its Authorized Users is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto) and (ii) each of its Authorized Users is technically proficient and conducts its business in a fair and equitable manner.

(d) The Exchange will promptly notify a Participant in writing of the approval of designated Authorized User(s) or if the Exchange declines to approve the nomination of an Authorized User.

(e) The Exchange will maintain a list of all designated Authorized Users for each Participant.

(f) The Exchange may, in its sole discretion revoke or suspend the designation of an individual as an Authorized User and shall promptly notify the Participant and its Clearing Member of such action.

(g) Each Participant may, from time to time, grant its User IDs to any other Person, and any such Person shall be entitled to exercise Trading Privileges subject to the terms and conditions of these Rules.

(h) Each participant may, at any time, revoke an authorization granted by it to an any Authorized User or a User ID granted to any other person by providing written notice of such revocation to the Exchange. A Participant shall take immediate measures appropriate to ensure that, after such revocation, (1) the affected Authorized User shall not have access to the AIX System or (2) the affected Person shall not utilize its User ID, and the Exchange shall act

promptly, but in any event within one Business Day of receiving notice from the Participant, to disallow order entry by any such Person.

(i) The obligations of Participants under these Rules shall also apply to each Authorized User and Supervised Person, and each Participant shall be responsible for the actions and omissions of the Authorized Users and Supervised Persons and any other Person using any of the Participant's User IDs. Each Participant will ensure on an ongoing basis that none of its Authorized Users or other Supervised Persons and no other Person using any of its User IDs is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto) and that each of its Authorized Users and other Supervised Persons (as applicable) and any other Person using any of its User IDs will be technically proficient in respect of the use of the AIX System. Each Participant shall have procedures for performing day-to-day monitoring of its Authorized Users and other Supervised Persons and any other Person using any of its User IDs to ensure that each will conduct its business in a fair and equitable manner and in accordance with the Rules of the Exchange.

(j) Under these Rules, references to (1) the Trading Privileges of a Participant shall also be deemed to refer and apply to the Trading Privileges by any Person using that Participant's User IDs, (2) a Participant submitting or receiving Orders, bids, offers or message traffic into or from the AIX System or engaging in transactions in Contracts on the AIX System, shall be deemed to refer and apply to any such actions engaged in by any Person using any of such Participant's User IDs and (3) the knowledge of, or matters known to, any Participant shall be deemed to also refer to and include the knowledge of, or matters known to, its Authorized Users and other supervised persons.

(k) To request the termination of the designation of an individual as an Authorized User, the Participant must follow the procedures established by the Exchange. The Exchange may, in its sole discretion, refuse to accept a request to terminate the registration of an Authorized User or may postpone the effective date of the termination of registration if the Exchange considers it necessary for the protection of the Participant or in the Exchange's best interest. Based on the information provided to, and other information gathered by, the Exchange regarding the request to terminate the registration of an Authorized User, the Exchange will determine whether to:

i. accept the request to terminate such registration;

ii. postpone the effective date of termination of the registration; and/or

iii. impose any terms or conditions before or after the effective date of termination of the registration.

RULE 308. Duties and Responsibilities of Authorized Users

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

(b) An Authorized User must:

i. ensure that activity conducted under the User IDs assigned to it and any of its personnel complies with Applicable Law and the Rules;

ii. have the authority, at the Exchange's request, to adjust or withdraw any Order submitted under such User IDs;

iii. have and maintain during all necessary regulatory approvals and/or licenses to operate as an Authorized User;

iv. cooperate promptly and fully with the Exchange in any investigation, inquiry, audit, examination or proceeding regarding compliance with the Rules or any Disciplinary Action or arbitration proceeding;

v. comply with any order issued by the Exchange; and

vi. agree to such other terms and conditions as may be established by the Exchange from time to time.

RULE 309. Clearing Members Accessing the Exchange

A Clearing Member may trade an account on behalf of a Participant hereunder solely for the purpose of liquidating Contracts and any resulting positions previously submitted to the Clearing House for the account of such Clearing Member on behalf of a Participant that has failed to perform its obligations to the Exchange or such Clearing Member (to the extent applicable).

RULE 310. Required Notices

(a) Each Participant shall immediately notify the Exchange upon becoming aware of any of the following events:

i. any material changes to the information provided to the Exchange by the Participant;

ii. any damage to, or failure or material inadequacy of, the systems, facilities or equipment of the Participant used to effect Transactions on the Exchange;

iii. any refusal of admission to, or withdrawal by the Participant of any application for membership in, any Self- Regulatory Organization;

iv. any denial or withdrawal of an application for registration or license by or from any governmental agency, and any revocation, suspension

or conditioning of a registration or license granted by any Governmental Authority;

v. the commencement of any judicial or administrative proceeding against the Participant by a Governmental Authority or the imposition of any fine, 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 Governmental Authority;

vi. the indictment or conviction of, or any confession of guilt or plea of guilty or nolo contendere by, the Participant or any of its officers for any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, security, futures contract, option or other financial instrument, or involving or arising from fraud or moral turpitude; and

vii. the Insolvency of the Participant or any of its Affiliates.

(b) Each Participant that is not a natural person shall notify the Exchange at least ten business days prior to any merger, acquisition, consolidation, combination, sale or other material change of ownership.

(c) Nothing in this RULE 310 is intended to substitute for or limit any other reporting obligations that a Participant may have to the Exchange or any regulatory agency or Self-Regulatory Organization.

RULE 311. Access Requirements and Terms

(a) Access to the AIX System will be Internet-based. Participant accounts will be issued user names, passwords, and digital certificates for secure access. The Participant is responsible for the security of these items, and any misuse is the responsibility of the Participant.

(b) Certificates and passwords are for the Participant's use only and shall not be shared with other parties.

(c) A Participant must notify the Exchange immediately upon any suspicion of theft of a password or certificate, or any unauthorized access.

RULE 312. Dues and Fees

Exchange dues and fees are posted at **[AIX WEBSITE]** and updated from time to time. The Board shall have the sole authority to set the times and amounts of any dues, assessments or fees to be paid by Participants, which dues, assessments or fees shall be paid to the Exchange when due. If a Participant fails to pay when due any Exchange dues, assessments or fees levied on such Participant, and such payment obligation remains unsatisfied for thirty days after its due date, the Exchange may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Participant as it deems necessary or appropriate.

RULE 313. Inspections by the Exchange

(a) The Exchange and the Regulatory Services Provider, if any, shall have the right, in connection with determining whether the Rules are being, will be, or have been complied with by the Participant, to:

i. inspect systems, equipment and software operated by the Participant in connection with business that is or may be subject to the Rules, wherever located;

ii. access the systems, equipment, software, and the premises on which the systems, equipment, and software are located, any data stored in any of the systems or equipment, during the regular business hours of the Exchange, without prior notice to the Participant; and/or

iii. copy and/or reproduce any data to which the Exchange has access under this RULE 313.

(b) Each Participant shall provide the Regulatory Services Provider with the same access as it would be required to provide to the Exchange.

(c) The Exchange may require a Participant to furnish such information concerning the Participant's business that is subject to the Rules of the Exchange as the Exchange deems necessary to enable the Exchange to perform its obligations under Applicable Law, including information relating to (i) Contracts executed on the Exchange and in related derivatives markets, including in the products underlying those Contracts, and (ii) information requested by a government agency relating to the Exchange's business as a designated contract market and/or the Exchange's compliance with Applicable Law that the Exchange believes is maintained by, or otherwise in the possession of, a Participant.

RULE 314. Liquidity Provider Program

At its discretion, AIX Exchange may offer a liquidity provider program that provides incentives to Participants willing to supply substantial numbers of bids and offers or traded volume in the market. The liquidity provider program may offer reduced fees, amongst other incentives, for qualified liquidity providers as determined by the Exchange.

RULE 315. Brokers

(a) Each Broker:

i. must be registered with the CFTC as a futures commission merchant or an introducing broker;

ii. must enter into the applicable Participant Agreement with the Exchange and agree to be subject to and to comply with the Rules;

iii. must maintain adequate financial resources in accordance with Rule 305; and

iv. must agree to such other terms and conditions as may be established by the Exchange from time to time.

(b) The Broker shall be responsible to the Exchange for any failure by such Broker (or its employees or agents) to comply with the Rules.

RULE 316. Notices to Participants

The Exchange shall publish a notice with respect to each addition to, modification of, or clarification of, the Rules of the Exchange or of any action to implement any Rules of the Exchange, in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof (each a "**Notice to Participants**"); provided that any failure of the Exchange to so publish a Notice to Participants shall not affect the effectiveness of the addition or modification in question. For purposes of publication in accordance with the first sentence of this RULE 316, it shall be sufficient (without limiting the discretion of the Exchange as to any other reasonable means of communication) if a Notice to Participants is published on the Exchange's website. Any Notice to Participants shall also be deemed to have been made to all Authorized Users and supervised persons.

CHAPTER 4. MARKET OPERATIONS

RULE 401. Market Hours and Operation

(a) The Exchange will be open for trading on all Business Days during the Trading Hours, as from time to time set forth by the Exchange and specified in the trading calendar, which is available at **[AIX WEBSITE].** Trading Hours may vary among different Contracts. No Person may make any bid or offer for, or engage in any transaction in, any Contract before or after such hours. Notice shall be issued pursuant to RULE 316 or other means as appropriate for any modification to or establishment of Business Days or Trading Hours.

(b) With respect to trading on or through the Exchange, the Exchange may adopt, without limitation, procedures relating to Transactions in Contracts and trading on the Exchange, including procedures to:

i. disseminate the prices of bids and offers and the prices of trades in Contracts;

ii. record and account for Contracts;

iii. perform market surveillance and regulation on matters affecting Contracts;

iv. establish limits on the number and/or size of Orders that may be submitted or the number of and size of trades executed by a Participant or Authorized User to the Exchange;

v. establish limits on the number of Contracts that may be held by a Participant or customer on the Exchange;

vi. establish a limit on the maximum daily price fluctuations for any Contracts and provide for any related restriction or suspension of trading in such Contracts; and

vii. require a suspended or expelled Participant, or a Participant with restricted trading rights, to cause Contracts to be executed for such Participant's account to reduce or eliminate such Participant's open positions.

RULE 402. Market Suspension and Emergencies

(a) The Exchange reserves the right to adjust Trading Hours and suspend market activities for all or a subset of Contracts in the case of extenuating market circumstances which include, but are not limited to, any occurrence or circumstance which threatens or may threaten such matters as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any Contracts, and which is determined by the Exchange to require immediate action.

(b) In the event of an Emergency, the Exchange may implement temporary emergency procedures and rules ("**Emergency Rules**"), subject to the applicable provisions of the CEA and CFTC.

(c) Emergency Rules may require or authorize the Exchange, the Board, any committee of the Board, the Chief Executive Officer or, in his or her absence, any other Officer to take actions necessary or appropriate to respond to the Emergency, including, but not limited to, the following actions:

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

ii. extending or shortening the last trading date for Contracts;

iii. providing alternative settlement mechanisms;

iv. ordering the liquidation or transfer of Transactions, the fixing of a Settlement Price, or the reduction of positions;

v. extending, limiting or changing the Trading Hours;

vi. temporarily modifying or suspending any provision of the Rules;

vii. requiring Participants to meet special margin requirements;

viii. imposing or modifying trading limits, price limits and/or position limits; and/or

ix. any other action as directed by the CFTC.

(d) Before any Emergency Rule may be adopted and enforced, a required vote of the Board must approve the enforcement of such Emergency Rule at a duly convened meeting. Directors may attend such a meeting by teleconference. If the Chief Executive Officer, or another authorized Officer, determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the Chief Executive Officer or such other authorized Officer shall have the authority, without Board action, to implement any Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Executive Officer or such other authorized Officer must convene a meeting as soon as practicable.

(e) Whenever the Exchange, the Board, any committee of the Board, the Chief Executive Officer or other authorized Officer takes actions necessary or appropriate to respond to an Emergency a duly authorized representative of the Exchange, where possible, will post an announcement in a notice to Participants. When the Board, any committee of the Board, the Chief Executive Officer or other authorized Officer determines that the Emergency has been reduced sufficiently to allow the Exchange to resume normal functioning, any such actions responding to an Emergency will be terminated and the Exchange, the Board, any committee of the Board, the Chief Executive Officer or authorized Officer will post an announcement in a notice to Participants.

(f) The Exchange will use reasonable efforts to notify the CFTC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not possible or practicable, the Exchange will notify the CFTC as soon as possible or reasonably practicable, but in any event no longer than 24 hours after implementing, modifying or terminating such rule.

(g) Upon taking any action in response to an Emergency, the Exchange will document the decision-making process related to such action and maintain such documentation for at least five years following the date on which the Emergency ceases to exist or to affect the Exchange, and all such documentation will be provided to the CFTC upon request.

(h) The Exchange shall not be obligated to perform its obligations under the Rules or any agreement with a Participant, or to compensate any Person for losses occasioned by any delay or failure of performance, to the extent a delay or failure of performance is the result of an Emergency.

RULE 403. Contracts Offered

The Exchange shall determine, from time to time, which Contracts are available for trading subject to the Rules of the Exchange and approval rules containing the

specifications for such Contracts ("**Contract Specifications**"), provided that certifications or applications with respect to such Contracts shall be submitted to the CFTC as required by the CEA and CFTC Regulations.

RULE 404. Use of User IDs

(a) Each Participant and its Authorized Users must have a unique, Exchange-assigned, registered User ID.

(b) Each Order entered will contain a system-assigned User ID that identifies the Authorized User that entered the Order.

(c) No Person may use a User ID to place any Order except as permitted by these Rules, nor may any Person knowingly permit or assist the unauthorized use of a User ID. Each Participant and Authorized User shall ensure that no User ID is used by any Person not authorized by these Rules. Each Participant that is not an individual must have in place policies and procedures acceptable to the Exchange to ensure the proper use and protection of User IDs, including:

i. Restricting access through password protection to any system capable of submitting Orders to the Exchange to individual users authorized by the relevant Participant and having a User ID;

ii. Requiring creation, maintenance and retention, as required in RULE 411, of accurate and complete records regarding each individual that is issued, or authorized to use, a User ID;

iii. Requiring that their Supervised Persons protect and maintain the security of all User IDs; and

iv. Prohibiting the use of User IDs by any Person, including any subsidiary, affiliate, division or business unit of Participant, except as permitted by this Rulebook.

(d) Each Participant shall ensure the accuracy of the registration information of its Authorized Users at all times.

(e) Each Participant shall be solely responsible for controlling and monitoring the use of all User IDs issued to it and its Authorized Users of the Exchange.

(f) Each Participant shall notify the Exchange promptly upon becoming aware of:

i. any unauthorized disclosure or use of any User ID assigned to it or any of its Authorized Users and of any other reason for deactivating a User ID; and

ii. any unauthorized access to the Exchange by any Authorized User or by any Person using a User ID assigned to such Participant or Authorized User.

(g) Each Participant and its Authorized Users shall be bound by any actions taken through the use of a User ID assigned to such Participant or Authorized User (other than any such actions resulting from the fault or negligence of the Exchange), including the submission of Orders and/or execution of Transactions, whether or not such actions were taken or authorized by such Participant or Authorized User, as the case may be.

RULE 405. Trading

(a) Order Submission

Each Participant shall be responsible for any and all orders entered using such Participant's User ID.

(b) Order Modification and Cancellation

i. Previously submitted Orders can be modified or cancelled unless and until such Order has been executed or has otherwise expired. Any such modification or cancellation requires that a modification order or cancellation order, as the case may be, with respect to the original Order be entered into the Exchange. Such modification or cancellation will become effective upon receipt by the Exchange of the modification order or cancellation order, as the case may be.

ii. Every Order automatically expires at the end of the Trading Hours on the calendar day such Order is placed, in the event of any suspension or curtailment of trading, or in the case of any failure of the Exchange.

iii. A Block Trade automatically expires after 15 minutes if such Order has not been reported to the Exchange pursuant to RULE 406(b).

(c) Trading Information

The Exchange shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market. Trading information will be published on the Exchange website at the end of the day.

RULE 406. Block Trades

(a) The Exchange shall designate the Contracts in which Block Trades shall be permitted and determine the minimum block size for such transactions as described herein. Contracts designated for Block Trades are set forth on Appendix A.

(b) The following rules shall govern Block Trades:

i. A Block Trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders may not be aggregated in

order to achieve the minimum transaction size unless expressly permitted under Applicable Law.

ii. Each Participant entering into a Block Trade must be an Eligible Contract Participant.

iii. A Broker may submit a Block Trade to the Exchange only on behalf of Participants that have specified that such Order be executed as a Block Trade subject to the Rules of the Exchange.

iv. The price at which a Block Trade is executed must be fair and reasonable in light of (A) the size of the Block Trade, (B) the prices and sizes of other transactions in the same contract at the relevant time, (C) the prices and sizes of transactions in other relevant markets, including the related swap markets, at the relevant time, and (D) the circumstances of the markets or the Participants to the Block Trade.

v. Block Trades shall not affect orders in the regular market.

vi. Parties to a Block Trade must ensure that each Block Trade is submitted without delay upon execution of the trade, in no event later than fifteen minutes after execution via an approved submission method. The submission must include the Contract(s), contract month(s), price, quantity of the Transaction, time of execution, the respective FCM Clearing Member, as well as any other information that the Exchange may require. The Exchange shall promptly publish price and volume information separately from the reports of Transactions.

vii. Brokers and other Participants involved in the execution of Block Trades must maintain written or electronic records of all such Block Trades, including an electronic timestamp reflecting the date and time each such Order was received as well as an electronic timestamp reflecting the date and time such Order was executed or cancelled.

(c) Block Trades may be submitted directly by Participants or through Brokers. The following information must be submitted: the Contract(s) to be traded, the volume and price, the buyer and seller and their respective Clearing Members.

RULE 407. Exchange for Related Position (EFRP)

(a) Categories of EFRP Participants may enter into the following types of Exchange for Related Position transaction ("**EFRP**") in accordance with the provisions of this Rule:

i. an Exchange for Physical transaction ("**EFP**"), which is a privately negotiated and simultaneous exchange of a futures position in a Contract for a corresponding cash position; and

ii. an Exchange for Swap transaction ("**EFS**"), which is a privately negotiated and simultaneous exchange of a futures position in a Contract for a corresponding swap position.

(b) EFRP Requirements

An EFRP shall consist of two discrete but related simultaneous transactions in which one Participant must be the buyer of (or the holder of the long market exposure associated with) the related position and seller of the corresponding Contract, and the other Participant must be the seller of (or the holder of the short market exposure associated with) the related position and the buyer of the corresponding Contract. The related position must involve the commodity underlying the Contract (or any derivative, by-product or related product that has a reasonable degree of price correlation to the Contract) in a quantity that is approximately economically equivalent to the quantity covered by the Contract.

The accounts involved in the execution of an EFRP must be:

i. independently controlled with different beneficial owners; or

ii. independently controlled accounts of separate legal entities with the same beneficial owners, provided that the account controllers operate separate business units; or

iii. independently controlled accounts within the same legal entity, provided that the account controllers operate in separate business units; or

iv. commonly controlled accounts of separate legal entities, provided that the separate legal entities have different beneficial owners.

The parties to an EFRP shall maintain all documents relevant to the Contract and the related position, including all documents customarily generated in accordance with the relevant market practices, including, as applicable, copies of the documents evidencing title to, or the contract or contracts to buy or sell, the underlying commodity (or the derivative, by-product or related product) involved in such EFRP, and master swap agreements and any supplements thereto. Any such documents and information shall be furnished to the Exchange upon request.

(c) Reporting Requirements

The parties to an EFRP shall cause the EFRP to be identified and reported to the Exchange in accordance with such procedures as are determined by the Exchange from time to time.

(d) Clearing Requirements

All Contracts effected as part of EFRPs shall be cleared in accordance with these Rules.

RULE 408. Position Transfers

The Exchange may permit transfer trades to move positions between accounts of the same Participant for administrative purposes ("**Position Transfers**") where no change in ownership is involved. Participants and Clearing Members must obtain approval from the Exchange for a Position Transfer; such approval to be granted at the sole discretion of the Exchange. Position Transfers will not contribute to any reported volume, price, or trading range.

RULE 409. Trade Cancellations; Trade Reviews; Price Adjustments

(a) The Exchange may 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 Exchange or by system defects or malfunctions. Notwithstanding any other provision of this RULE 409, the Exchange may adjust trade prices or cancel any trade if the Exchange determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. Any decision of the Exchange with respect to an adjustment or cancellation subject to this RULE 409 shall be final.

(b) The Exchange may review a trade based on its analysis of market conditions or a request for review by a user of the Exchange. A request for review must be made within five minutes of the execution of the trade. The Exchange shall promptly determine whether the trade will be subject to review, and upon deciding to review a trade, the Exchange will promptly issue an alert to all Participants on the Exchange indicating that the trade is under review. In the case of Contracts determined by the Exchange to be illiquid, the Exchange may initiate a review up to one hour after the execution of the trade, and has the authority, but not the obligation, to review trades reported more than one hour following execution if it determines that the trade price was significantly out of line with fair value. In the course of its review of any trade, the Exchange may, but is not obligated to, inform any of the parties to the trade of the identity and contact information of any other party to the trade.

(c) In reviewing a trade, the Exchange will first determine whether the trade price is within the No Bust Range for the Contract. In applying the No Bust Range, the Exchange shall determine the fair value market price for that Contract at the time the trade under review occurred (the "**Market Price**"). The Exchange may consider any relevant information, including, but not limited to, the last trade price in the contract or a better bid or offer price on the Exchange, a more recent price for a different maturity date, the price of the same or related contract established in another venue or another market and the market conditions at the time of the trade. If the Exchange determines that

the price of the trade is inside the No Bust Range, then it will issue an alert indicating that the trade shall stand.

(d) With the approval of the Exchange, parties to a trade that is price adjusted may instead mutually agree to cancel the trade. With the approval of the Exchange, parties to a trade that is busted may instead mutually agree to price adjust the trade to a price consistent with the adjustment provisions of RULE 409(c). Subject to this RULE 409(d), parties to a trade that is cancelled or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the Exchange and the parties maintain a record of the adjustment. An executed trade may not be reversed via transfer except where such trade is determined by the Exchange to be outside of the No Bust Range but not reported timely, subject to agreement of the parties and approval of the Exchange. Any such transfer must occur at the original trade price and quantity; however the parties may mutually agree to a cash adjustment.

(e) A party entering an order that results in a price adjustment or trade bust shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or busted; provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

i. A claim for a loss pursuant to this section must be submitted to the Exchange on an Exchange claim form within one business day of the event giving rise to the claim. The Exchange will reject any claim that is not filed in a timely manner and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade bust or a price adjustment and to the Clearing Member through which the trade was placed. Such party, or the Clearing Member on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability.

ii. To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten business days shall be considered a denial of liability for purposes of this rule. A copy of any such written agreement must be provided to the Exchange.

iii. To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to CHAPTER 8. Such claims must be submitted to the Exchange within ten business days of the date the party was issued notification that liability was denied.

(f) When the Exchange busts or price adjusts a trade, the party responsible for entering the order into the Exchange that gave rise to the trade bust or price

adjustment shall pay an administrative fee to the Exchange in the amount of $500 for each such occurrence.

(g) Positions that result from a trade determined by Exchange to be outside the No Bust Range that cannot be busted because the trade was not reported within five minutes of the execution of the trade may be transferred between the parties using a transfer trade upon agreement of the parties (a "**Transfer Trade**"). Such Transfer Trades must comply with the trading requirements in these Rules. The Transfer Trade must use the original trade price and quantity. Any party may, but is not required to, include a cash adjustment to another party to the trade. Trades determined by Exchange to be inside the No Bust Range may not be reversed using a Transfer Trade.

(h) When a trade outside of the No Bust Range is busted in accordance with this RULE 409, the parties to the trade may agree voluntarily to reestablish the trade but to adjust its price and make a cash adjustment provided that all of the following conditions are met:

i. The Exchange approves the adjustment.

ii. The quantity of the position being reestablished is the same as the quantity of the trade that was busted.

iii. In the case of a trade below the Market Price, the adjusted price must be the lowest price that traded at or about the time of the trade without being busted. In the case of a trade above the Market Price, the adjusted price must be the highest price that traded at or about the time of the trade without being busted.

iv. The parties to the adjusted trade must report it to the Exchange using a Transfer Trade not later than the close of business on the Business Day after the trade occurred.

(i) In the event that the matching engine malfunctions with live Orders in the queue waiting to be matched, such Orders may be matched when the system is restored before the Exchange halts the matching engine. The Exchange is authorized to bust trades resulting from such matches if the price of such trades is outside of the No Bust Range at the time that a confirmation of the trades was sent.

RULE 410. Settlement

The Exchange will provide the Clearing House with Settlement Prices for use by the Clearing House in settling trades and positions. Settlement Prices will be calculated primarily based on that day's Exchange Transactions as well as relevant trading in other markets, as outlined in the Contract Specifications on the **[AIX WEBSITE]**.

The Exchange reserves the right to adjust Settlement Prices as it deems necessary based on current market conditions or otherwise, per the Contract Specifications.

RULE 411. Recordkeeping; Audit Trail

(a) Orders must be entered by electronic transmission to the Exchange, and the Exchange shall maintain an electronic record of those entries. Each Participant entering Orders into the Exchange shall input for each Order:

i. the User ID identifying the individual placing such Order, and an identifier of the Clearing Member that will clear any resultant contracts;

ii. its type, price or yield, quantity, product, maturity or expiration month or date, customer type indicator ("**CTI**") code and account number (except as provided in RULE 411(d)); and

iii. such additional information as may be prescribed from time to time by the Exchange.

(b) Participants that access the AIX System electronically are responsible for maintaining or causing to be maintained an audit trail for all electronic Orders, which shall include Order entry, modification, and cancellation (the "**Audit Trail**"). Such Audit Trail shall include Orders submitted and the times of Order entry and of any Order modification or cancellation. Times that are so captured must not be capable of being modified by the Person entering the Order and must reflect all necessary data fields specified by the Exchange from time to time. For executed Orders, the Audit Trail must record the execution time of the trade along with all award information.

(c) Participants shall maintain Audit Trail information for a minimum of five years and must have the ability to produce Audit Trail data in a standard format upon request of the Exchange. This electronic Audit Trail must contain all Order receipt, Order entry, Order modification, Order cancellation and response/receipt times to the highest level of precision achievable by the operating system, but at least to the hundredth of a second. The times captured must not be able to be modified by the Person entering the Order. The data must also contain all FIX Tag information and fields which should include, but are not limited to the following: a record of all fields relating to Order entry, including transaction date, product, Exchange code, expiration month, quantity, Order Type, Order Qualifier, price, buy/sell indicator, stop/trigger price, Order number, unique transaction number, account number, session ID, operator ID, host Order number, trader Order number, Clearing Firm, type of action, action status code, customer type indicator, origin, and timestamps. For executed Orders the audit trail must record the execution time of the trade along with all fill information.

(d) *Customer Type Indicator (CTI) Codes*. Each Clearing Member must identify each transaction executed on the Exchange on the record of transactions submitted to the Exchange with the correct CTI code. The CTI codes are as follows:

i. CTI 1: Transactions initiated and executed by an individual member for his own account, for an account he controls or for an account in which he has ownership or financial interest;

ii. CTI 2: Transactions executed for the proprietary account of a clearing member or non-clearing member;

iii. CTI 3: Transactions where an individual member or Authorized User executes for the personal account of another individual member, for an account the other individual member controls or for an account in which the other individual member has ownership or financial interest;

iv. CTI 4: Any transaction not meeting the definition of CTI 1, 2 or 3. (These should be non-member customer transactions).

RULE 412. Information Regarding Orders

(a) The Exchange will make information regarding Orders (including prices bid or offered), trades and any other matters it may deem appropriate available to Participants and other Persons at such times and in such manner (whether through the Exchange, financial information services or otherwise) as it may consider necessary or advisable from time to time.

(b) Each Participant or other Person receiving any such information referred to in paragraph (a) above shall not redistribute such information other than to the extent and in the manner as may be expressly permitted by the Exchange in writing from time to time.

RULE 413. 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 perform certain basic operational functions in the event of a significant internal or external interruption to its operations. At a minimum, the following areas must be addressed in the Participant's policies and procedures:

i. the Participant must 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 Exchange.

ii. the Participant must 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 provide the Exchange with information regarding the foregoing upon request; and

iii. the Participant must maintain and, at the request of the Exchange, provide accurate and complete information for its key personnel. A Participant must inform the Exchange in a timely manner whenever a change to its key personnel is made.

(b) The Exchange may prescribe additional and/or alterative requirements for a Participant's compliance with this Rule.

CHAPTER 5. CLEARING

RULE 501. Submission to Clearing House

All Contracts shall be cleared through the Clearing House in accordance with applicable Clearing House Rules and the Rules set forth in this CHAPTER 5.

RULE 502. Clearing Members

Each Clearing Member must be a member of the Clearing House at all times. Except for those Clearing Members that clear solely for their own proprietary accounts, all other Clearing Members must be registered with the CFTC as FCMs (each, an "**FCM Clearing Member**").

RULE 503. Clearing Services

Whenever the Exchange designates a clearing organization other than the Clearing House for the clearance of Contracts with respect to which there are open positions, each Clearing Member must, as of the close of business on the second Business Day prior to the effective date of such designation, either become a clearing member of such new organization, or cause any such open Contracts carried by it either to be transferred to a clearing member of such new clearing organization or to be liquidated.

RULE 504. Rules of the Clearing House

(a) The clearing services provided by the Clearing House with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts (including rights and obligations in respect of clearing and settlement, variation payments and performance at maturity), will be governed by the Rules of the Clearing House, except as otherwise provided in the Rules or Notices issued from time to time by the Exchange.

(b) Open positions in any Contract may only be offset by opposite Transactions in the same Contract that are executed either (i) on the Exchange or (ii) through other transactions allowed under the Rules and any Notices issued from time to time by the Exchange.

(c) The Clearing House Rules shall prevail in the event of any conflict or inconsistency between these Rules and such Clearing House Rules with respect to any responsibilities or obligations of a Clearing Firm under such Clearing House Rules. Each Clearing Member is bound by the Clearing House Rules of any Clearing House in which such Clearing Member has a clearing membership.

RULE 505. Additional Terms Applicable to Clearing

(a) The Clearing House shall have the right to reject Contracts and to suspend clearing of such Contracts without notice, in accordance with the rules of the Clearing House; and

(b) A Clearing Member may transfer a Contract to another Clearing Member only upon notice to the Exchange, in accordance with the rules of the Clearing House and provided:

i. the transfer merely constitutes a change from one account to another account, provided the underlying beneficial ownership in said accounts remains the same; or

ii. an error has been made in the clearing of a trade and the error is discovered and the transfer is completed within two Business Days after the trade date; or

iii. the transfer constitutes a transfer of positions from a Customer to the Clearing Firm's house account in the event of a Customer default.

(c) Subject to the limitations of RULE 507, Exchange Officials may, upon request by the Clearing Member(s), approve a transfer of existing trades either on the books of the same Clearing Member, or from the books of one Clearing Member to the books of another Clearing Member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

(d) Provided that the transfer is permitted pursuant to Sections (b) or (c) above, the transactions must be recorded and carried on the books of the receiving Clearing Member at the original trade dates. Trades may be transferred using either the original trade price or the most recent settlement price.

(e) All transfers shall be reported to each relevant Clearing House in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The Clearing Members involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

RULE 506. Concurrent Long and Short Transactions

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

(a) Concurrent long and short positions in the same commodity and month may be held by a Clearing Member at the direction of a Customer or on behalf of an omnibus account; however it shall be the duty of the Clearing Member to

ascertain whether such positions are intended for offset or to be held open prior to final transmission of position data to the relevant Clearing House.

(b) Clearing Members which, pursuant to this rule, carry concurrent long and short positions, must report to the Exchange both sides as open positions.

(c) The Exchange takes no position regarding the internal bookkeeping procedures of its Clearing Members which, for the convenience of a Participant or Customer, may "hold open" a position only on their books. However, the Clearing Member must accurately report to the Exchange and the relevant Clearing House, as appropriate, large trader positions, long positions eligible for delivery and open interest.

RULE 507. Revocation of Clearing Authorization: Trade Nullification

In the event that a Clearing House terminates a Clearing Member's authorization, the Exchange shall nullify and cancel any trade to be cleared by such Clearing House that is guaranteed by such Clearing Member after the Exchange actually receives and processes notice of such termination at the price at which the nullified transaction was executed. The Exchange shall process such notice promptly, but in any event within one Business Day of actually receiving written notice.

RULE 508. Clearing Guarantee

(a) Each Participant that desires to enter into Transactions for itself or for its Customers must obtain prior authorization from a Clearing Member who shall guarantee such Transactions. If a Participant's Customer clears its Transactions through a Clearing Member other than the Participant, the Customer's Clearing Member must agree to guarantee and assume financial responsibility for all Transactions effected by or through the Participant for that Customer.

(b) The Clearing Member providing the guarantee assumes financial responsibility for all Transactions that fall within the credit limits and risk controls established by the Clearing Member, until such time the Clearing Member disables the Participant's or Customer's (as applicable) ability to enter into any additional Transactions. Disabling or suspending the Customer, users and/or credit limits is effective upon receipt of acknowledgment that the message was received by the Exchange. With respect to Transactions given up to other Clearing Members, such guarantee is effective until such time that the receiving Clearing Member accepts the trade. If the receiving Clearing Member does not accept the Transaction, financial responsibility for the Transaction will remain with the Participant's Clearing Member that initially approved the Transaction.

(c) A Clearing Member may at any time revoke the guarantee made by it to any Participant or Customer of such Participant, with respect to any future Transactions, by providing written notice of such revocation to the Exchange. For the avoidance of doubt, Clearing Member's guarantee with respect to Transactions effected prior to such revocation will remain in effect until the

Participant or Customer (as applicable) has liquidated or transferred all positions and funds to another Clearing Member. The revocation will be effective with respect to new Transactions.

CHAPTER 6. PARTICIPANT DUTIES AND STANDARDS

Violations of these Participant Duties and Standards may result in penalties including, but not limited to, temporary or permanent loss of access to the Exchange.

RULE 601. Ethical Standards

Each Participant shall act, and shall cause its Authorized Users to act, in accordance with these standards of ethics with regard to its Exchange activity:

(a) **Good Faith.** No Participant (or any of its Authorized Users) shall knowingly enter, or cause to be entered, bids or offers into the AIX System other than in good faith for the purpose of executing bona fide transactions

(b) **Transaction Integrity.** Participants (and their Authorized Users) shall honor the terms and conditions of the Participant Agreement and will transact in Contracts only for legitimate business purposes, such as managing business risk, or that otherwise have economic substance.

(c) **Risk Management.** Participants (and their Authorized Users) shall adopt, adhere to and enforce risk management and other policies and structures that are designed to ensure that trading activities are conducted in accordance with the Rules.

RULE 602. Sound Trading Practices

Participants will act in accordance with these standards of sound trading practices with regard to its Exchange activity:

(a) **Rules.** AIX Exchange will provide updates to these Rules and memos regarding the application and interpretation of these Rules. It is the obligation of each Participant to ensure these documents are read and understood. It shall be prohibited for a Participant or any of its Authorized Users to violate any Rule or any agreement made with the Exchange, or to engage in fraud, dishonorable or dishonest conduct, or conduct which is inconsistent with just and equitable principles of trade.

(b) **Price Manipulation, Fictitious, Non-Competitive or Artificial Transactions.** No Participant shall effect or induce the purchase or sale of any Contract for the purpose of creating or inducing a false, misleading, or artificial appearance of activity in such Contract, or for the purpose of unduly or improperly influencing the market price of such Contract or for the purpose of making a price which does not reflect the true state of the market in such Contract. No Participant shall arrange and execute simultaneous offsetting buy and sell Orders in a Contract with intent to artificially affect reported revenues, trading volumes or prices.

(c) **Fraudulent Acts.** No Participant shall engage in any fraudulent act or engage in any scheme to defraud, deceive, trick, or mislead in connection with or related to any Exchange Activity or activity related to any Clearing House.

(d) **Market Manipulation.** No Participant shall manipulate or attempt to manipulate the market in any Contract. Furthermore, no Participant shall intentionally or recklessly engage, or attempt to engage, in the following in connection with any Contract: use manipulation to defraud, make an untrue or misleading statement or omit a material fact, engage in fraudulent or deceitful business practices, or deliver misleading or inaccurate reports concerning market information that affect the price of any Contract. No Participant shall directly or indirectly participate in or have any interest in the profit of a manipulative operation or knowingly manage or finance a manipulative operation. This includes any pool, syndicate, or joint account, whether in corporate form or otherwise, organized or used intentionally for the purposes of unfairly influencing the market price of any Contract.

(e) **Market Disruption.** No Participant shall engage in any trading, practice, or conduct that violates bids or offers or demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period, or is of the character of, or is commonly known to the trade as, "spoofing" (bidding or offering with the intent to cancel the bid or offer before execution), as described in Section 4c of the CEA.

Orders entered on AIX Exchange for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Participant who makes or assists in entering any such order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such order, will be deemed to have engaged in an act detrimental to the Exchange.

(f) **Gratuities**. Except with the prior written approval of the Chief Regulatory Officer, no Participant shall, directly or indirectly, give or permit to be given anything of value, including gifts and gratuities, to an Exchange Official in an amount that exceeds the maximum value permitted by the Exchange's gifts and entertainment policy.

(g) **Disruptive Trading Practices.** No Participant shall engage in any trading, practice, or conduct that constitutes a "disruptive trading practice," as such term is defined by the CEA or CFTC Regulations. Disruptive trading practices shall include any Exchange Activity that (i) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period, (ii) consists of placing one or more Order with an intent to cancel such Order(s) prior to execution, (iii) submitting or cancelling Orders with an intent to overload the Exchange, (iv) submitting or cancelling bids or offers with an intent to delay another person's execution of trades, or (v) submitting or cancelling multiple bids or offers to create an appearance of false market depth; provided,

however, that these clauses (i) through (v) shall not apply to Block Trades or exchanges for related positions.

(h) **False Reports.** No Participant shall knowingly make any misstatement of a material fact to the Exchange, any Exchange Official, or any Board committee or Exchange panel. No Participant shall knowingly disseminate false or misleading reports regarding Transactions, the Exchange or one or more markets.

(i) **Wash Sales.** No Participant shall place or accept buy and sell Orders in the same product and expiration month, where the Participant knows or reasonably should know that the orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash sales). Buy and sell Orders by Participants that are entered with the intent to negate market risk or price competition shall be deemed to violate the prohibition on wash trades. Additionally, no Participant shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.

(j) **Acts Detrimental to the Exchange.** No Participant shall engage in any act that is detrimental to the Exchange. It shall be deemed an act detrimental to the Exchange to permit unauthorized use of the Exchange, to assist any Person in obtaining unauthorized access to AIX Exchange, to trade on AIX Exchange without an agreement and an established account with a Clearing Member, to alter the equipment associated with AIX Exchange (except with the Exchange's consent), to interfere with the operation of AIX Exchange, to intercept or interfere with information provided thereby, to damage the name or reputation of the Exchange, its Board, its Officers or any of their Affiliates or in any way to use AIX Exchange in a manner contrary to the Rules.

(k) **Supervision.** A Participant shall establish, maintain and administer reasonable supervisory procedures to monitor the compliance of Authorized Users, Brokers, and supervised persons with the Rules and any applicable provisions of the CEA or CFTC Regulations, and such Participant may be held accountable for the actions of such Authorized Users or supervised persons.

(l) **Disclosing Order Information.** No Participant shall disclose an Order to buy or sell, except to a designated Exchange Official or the CFTC or as necessary to efficiently execute the Order, nor shall any Participant solicit or induce another Participant to disclose Order information. No Person shall take action or direct another to take action based on non-public Order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this rule.

(m) **Priority of Customers' Orders.** No Participant shall enter an Order 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, including an Order allowing discretion as to time and price if such Participant is in possession of any unsubmitted Order from a Customer that the Trading System is capable of executing unless such Customer provides such Participant with written consent to delay such Order.

(n) **Handling of Customer Orders.**

i. *General Prohibition* - No Participant or Authorized Broker in possession of a Customer Order shall knowingly take, directly or indirectly, the opposite side of such 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.

ii. *Exceptions* - The foregoing restriction shall not apply to the following:

(A) On the Trading System, a Participant or Authorized Broker may knowingly trade against a Customer Order for its own account, an account in which it has a direct or indirect financial interest, an account over which it has discretionary trading authority, or a Proprietary Account of its employer, only if the Customer Order has been entered immediately upon receipt and has first been exposed on the Trading System for a minimum of 5 seconds.

(B) Transactions where the Customer has consented in writing no more than 12 months prior to the transaction to waive the application of RULE 602(p) as long as the Participant or Authorized Broker has clearly notified the Customer that the Participant or Authorized Broker, as the case may be, will take, directly or indirectly, the opposite side of such 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.

(o) **Disclosing Orders Prohibited.** No Participant or Authorized Broker shall disclose any Customer Order to buy or sell except to a designated Exchange Official or the CFTC, and no Subject Person shall solicit or induce a Participant or Authorized Broker to disclose any Customer's Order information. No Person shall take action or direct another to take action based on non-public Order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this rule.

(p) **Simultaneous Buy And Sell Orders For Different Beneficial Owners.**

i. No Person shall enter through the Trading System into a pre-discussed transaction for illegal or improper purposes (including, without limitation, any conduct prohibited by CHAPTER 6) or knowingly assume on its own behalf or on behalf of a Customer Account the opposite side of its own Order or its Customer's Order (a "**Cross**

Trade"), except (A) in the case of transactions effected pursuant to RULE 406, (B) where the Person is entering into both sides of a Customer Order on a non-discretionary basis, or (C) the Person (y) has obtained prior written blanket or transaction specific consent has been obtained in respect of any relevant Customer; and (x) waits for a reasonable period of time, which shall be presumed to be not less than 5 seconds, after the initial Order is submitted before submitting the opposite side Order.

ii. Notwithstanding the foregoing, a Participant shall not be in violation of this RULE 602(p) due to Cross Trades executed by two Participants trading for the same account, or for separate accounts of the same beneficial owner, where neither Participant has knowledge of the other's Order and there is no coordination or prearrangement of the Cross Trade, provided that the relevant Participant shall be responsible, upon the request of the Exchange, to demonstrate to the reasonable satisfaction of the Exchange, that neither Participant had knowledge of the other's Order.

RULE 603. Pre-Arranged, Pre-Negotiated and Noncompetitive Trades Prohibited.

(a) No Person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any Transaction, except as provided in paragraphs (b) and (c) below.

(b) The foregoing restriction shall not apply to Block Trades effected pursuant to RULE 406.

(c) Participants and Authorized Users may engage in pre-execution communications with regard to transactions executed or to be executed on the Exchange 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:

i. 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 consented to permit such communications.

ii. 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.

iii. The first party's Order must be entered into the Exchange first, and the second party's Order may not be entered into the Exchange until a period of fifteen seconds has elapsed from the time entry of the first Order.

RULE 604. Disciplinary Procedures; Termination of Connection

(a) All access denials, suspensions, expulsions and other restrictions imposed upon a Participant or any of its Authorized Users by the Exchange pursuant to a Disciplinary Action shall restrict with equal force and effect, access to, and use of, the Exchange.

(b) The Exchange, at its sole discretion, shall have the right to summarily terminate the connection of any Participant or the access of any User ID to the AIX System and the Exchange. Additionally, the Exchange, at its sole discretion, shall have the right to direct a Participant to immediately terminate access to the Exchange any of such Participant's Authorized Users.

RULE 605. Position Limits and Exemptions

(a) The Exchange will adopt position limits for Contracts, as set forth in Appendix B, and may grant exemptions from position limits for bona fide hedging transactions and positions. A Person seeking an exemption from position limits must apply to the Regulatory Compliance Department in the form and manner required by the Exchange. A Person must:

i. Provide a description of the exemption sought, including whether the exemption is for bona fide hedging transaction as described in CFTC Regulation § 1.3(z)(1) or any other applicable CFTC Regulation;

ii. Provide a complete and accurate explanation of the underlying exposure related to the exemption request;

iii. Agree to promptly provide, upon request by the Regulatory Compliance Department, information or documentation regarding the Person's financial condition;

iv. Agree to comply with all terms, conditions or limitations imposed by the Regulatory Compliance Department with respect to the exemption;

v. Agree that the Regulatory Compliance Department may modify or revoke the exemption at any time;

vi. Agree to initiate and liquidate positions in an orderly manner; and

vii. Agree to promptly submit a supplemental statement to the Regulatory Compliance Department whenever there is a material change to the information provided in the most recent application.

(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 Regulatory Compliance Department 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 Regulatory Compliance

Department shall not be in violation of this RULE 605 provided the filing occurs within one Business Day after assuming the position.

(c) 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.

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

(e) Nothing in this RULE 605 shall in any way limit:

i. the authority of the Exchange to take Emergency Action; or

ii. the authority of the Regulatory Compliance Department to review at any time the positions owned or controlled by any Person and to direct that such position be reduced to the position limit provided for in Appendix B.

(f) The CFTC may also from time to time establish position limits for Contracts traded pursuant to these Rules. For any such Contract subject to a position limit set by the CFTC, the Exchange shall not set its position limit at a level higher than the CFTC's limit.

(g) *Eligible Exemptions*. The Regulatory Compliance Department may grant exemptions from position limits (including with respect to bona fide hedge positions as defined by CFTC Regulation § 1.3(z)(1) or any other applicable CFTC Regulation, and arbitrage, intracommodity spread and intercommodity spread positions).

(h) *Violations*.

i. No Person shall exceed the position limits set forth in the Rules, unless an exemption is granted by the Regulatory Compliance Department.

ii. The Regulatory Compliance Department and the Regulatory Oversight Committee shall have the authority to enforce the Rules regarding position limits.

iii. 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 605.

iv. A Clearing Member shall not be in violation of this Rule if it carries positions for a Person in excess of the applicable position limits for such reasonable period of time, generally not exceeding one Business Day, as the Clearing Member may require to investigate and liquidate the excess Customer positions.

v. A Person who exceeds a position limit as a result of maintaining positions at more than one Clearing Member shall be deemed to have waived confidentiality regarding its positions and the identity of the Clearing Members at which those positions are maintained. A Clearing Member carrying such positions shall not be in violation of this Rule if, upon notification by the Regulatory Compliance Department, it liquidates its pro rata share of the position in excess of the limits or otherwise ensures the Person is in compliance with the limits within a reasonable period of time, generally not exceeding one Business Day.

vi. *Violations, Sanctions and Appeals*.

(A) *First Violation*. The first position limit violation by a Participant will, at a minimum, result in a warning letter issued by the Regulatory Compliance Department, with a copy provided to the carrying Clearing Member(s). In circumstances where the carrying Clearing Member has also committed a position limit violation as set forth in this RULE 605 by carrying such positions, a warning letter will be issued to the Clearing Member(s).

(B) *Second Violation, Sanctions and Appeals*.

(1) A second position limit violation by a Participant within 24 months of the issuance of a warning letter will result in the imposition of an automatic fine by the Regulatory Compliance Department to the Participant as set forth below and the issuance of a cease and desist order.

(2) The automatic fine for a position exceeding the applicable limit by up to 25% shall be $5,000.

(3) The automatic fine for a position exceeding the applicable limit by more than 25% shall be $15,000.

(C) *Referral to the Chief Regulatory Officer*.

(1) Any third or subsequent position limit violation within 24 months of the issuance of a warning letter shall be referred by the Regulatory Compliance Department to the Chief Regulatory Officer for consideration of the issuance of charges.

(2) Notwithstanding anything in this RULE 605(h)vi to the contrary, the Regulatory Compliance Department, in its sole discretion, may refer any position limit violation it deems egregious to the Chief Regulatory Officer for consideration of the issuance of charges.

(D) *Appeal*. Parties may, within 10 Business Days of being provided notice of sanctions issued pursuant to this section, request an appeal to the Regulatory Oversight Committee.

(1) Upon receiving a written request for appeal, the Regulatory Oversight Committee shall determine solely upon the written request for appeal and any written response of the Regulatory Compliance Department, whether there is a reasonable basis to conclude that the appellant might be able to meet one of the standards identified in RULE 605(h)vi(D)(2) that would permit the Regulatory Oversight Committee to set aside, modify or amend the appealed decision. If the chair determines that such a reasonable basis exists, a hearing will be held. The Regulatory Oversight Committee's determination of whether to hold a hearing on an appeal shall be final. If a hearing is held the chair shall allow the filing of briefs in connection with the appeal.

(2) The Regulatory Oversight Committee shall not set aside, modify or amend the appealed decision unless it determines that the decision was:

a. Arbitrary, capricious, or an abuse of the Regulatory Compliance Department's discretion;

b. In excess of the Regulatory Compliance Department's authority or jurisdiction; or

c. Based on a clearly erroneous application or interpretation of Rules.

(i) If a hearing is held, the Regulatory Oversight Committee shall issue a written decision which shall include a statement of findings with respect to the decision from which the appeal was taken and the Regulatory Oversight Committee's determination that such initial decision is affirmed, set aside, modified or amended in whole or in part and, with respect to any initial decision that is not affirmed in whole, the Regulatory Oversight Committee's determination of the order or penalty to be imposed, if any, and the effective date. The decision of the Regulatory Oversight Committee shall be final and may not be appealed.

RULE 606. Reports of Large Positions

(a) Upon request, Participants must provide the Regulatory Compliance Department with information, in a form and manner acceptable to the Regulatory Compliance Department, identifying the owner, any controlling parties and any additional required information for each reportable account.

(b) Clearing Members shall submit to the Exchange a daily report of all positions required to be reported as set forth in the Table in Appendix B.

(c) Positions in Contracts at or above the reportable level prescribed in Appendix B trigger reportable status. For a person in reportable status, all positions, regardless of size, in relevant Contracts must be reported.

(d) All large trader reports shall be submitted in a form acceptable to the Regulatory Compliance Department. The Exchange may require that more than one large trader report be submitted daily. The Regulatory Oversight Committee or the Regulatory Compliance Department may require reports from any Clearing Member on a lesser number of positions than reflected in the table in Appendix B.

(e) Clearing Members must provide the Regulatory Compliance Department with the required CFTC Form 102 ("**Identification of Special Accounts**") identifying the owner, any controlling parties and any additional required information for each reportable account. The form must be submitted to the Regulatory Compliance Department no later than the business day following the date on which the account becomes reportable. Additionally, Clearing Members must submit a revised form reflecting any material changes to the information previously provided to the Regulatory Compliance Department within three business days of such changes becoming effective.

RULE 607. Aggregation of Positions

For purposes of RULE 605 and RULE 606, positions in Contracts shall be aggregated in accordance with CFTC Regulations.

RULE 608. Reporting Levels and Position Limits

The reporting levels and position limits for Contracts are found in Appendix B.

RULE 609. Information Disclosure and Documentation

(a) Participants shall provide information relating to Contracts to regulators in compliance with all applicable CFTC and NFA rules and regulations and any additional disclosure requirements imposed by these Rules and continue to cooperate with regulators as reasonably necessary to assist in their understanding of the markets.

(b) Participants shall ensure that any information disclosed to AIX Exchange is accurate and consistent. No existing or prospective Participant shall make any

false statements or misrepresentations in any application, report or other communication to the Exchange.

CHAPTER 7. DISCIPLINE AND ENFORCEMENT

RULE 701. Disciplinary and Enforcement Procedures – General

(a) All Participants and their Authorized Users are subject to the Exchange's jurisdiction. All Participants are subject to this CHAPTER 7 if they, or with respect to a Participant, any other Person (including any Supervised Person of such Participant) using any User ID assigned to such Participant, are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule of the Exchange or any provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction.

(b) No Exchange Official will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action (collectively, "**Disciplinary Action**"), except to the extent provided under Exchange Rules with respect to a proceeding in which the director is a member of the relevant Appeals Panel.

(c) Participants may be represented by counsel during any Disciplinary Action pursuant to this CHAPTER 7, provided however that no such counsel shall be an employee of the Exchange or any person substantially related to the underlying investigation.

(d) Any of the functions of the Exchange, the Chief Regulatory Officer, the Regulatory Compliance Department or the Disciplinary Panel under this CHAPTER 7 may be performed by the Regulatory Services Provider pursuant to a delegation of such functions by the Exchange, and references to the Exchange, the Chief Regulatory Officer, the Regulatory Compliance Department or the Disciplinary Panel, shall be deemed to be references to such Regulatory Services Provider, as applicable. Nevertheless, the Exchange will retain exclusive authority in all substantive decisions made by any Regulatory Services Provider. The Exchange will document any instances where its actions differ from those recommended by the Regulatory Services Provider.

(e) At the discretion of the Exchange, any Participant found in violation of the Rules may be required to pay to the Exchange any and all expenses incurred as a result of the investigation and disciplinary proceeding. This assessment is in addition to any monetary fines imposed for the Rule violation(s).

(f) *Joint and Controlling Person Liability*.

i. The Exchange may hold a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation as well as for the acts and omissions that constitute a violation by (A) a Supervised Person of such Participant,

and (B) any Person using a User ID assigned to a Supervised Person of such Participant, or (C) any employee, agent or representative of such Participant, in each case (A), (B) and (C), as if such violation were that of the Participant.

ii. The Exchange may hold an Authorized User or Authorized Broker liable for, and impose sanctions against such Authorized User or Authorized Broker, for such Authorized User's or Authorized Broker's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Authorized User or Authorized Broker that constitute a violation as if such violation were that of the Authorized User or Authorized Broker.

(g) *Ex Parte Communications*.

i. A Person subject to a disciplinary proceeding or an appeal from a disciplinary proceeding (and any counsel or other representative of such Person) and the Regulatory Compliance Department (and any counsel or other representative of the Exchange Regulation Department) shall not knowingly make or cause to be made an *ex parte* communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any member of the Disciplinary Panel or the Appeal Panel hearing such proceeding.

ii. Members of a Disciplinary Panel or Appeal Panel shall not knowingly make or cause to be made an *ex parte* communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any Person subject to such proceeding (and any counsel or representative of such Person) and the Regulatory Compliance Department (and any counsel or representative of the Regulatory Compliance Department).

iii. 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 Regulatory Compliance Department and all parties to the proceeding to which the communication relates.

iv. A Person shall not be deemed to have violated this rule if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent the communication concerns the merits.

RULE 702. Investigations

(a) The Regulatory Compliance Department will investigate any matter within the Exchange's jurisdiction of which it becomes aware. The Regulatory Compliance Department will commence an investigation upon receipt of a

request from the Commission or upon the discovery or receipt of information that, in the judgment of the Regulatory Compliance Department, indicates a possible basis for finding that a violation may have occurred or will occur. The Regulatory Compliance Department shall determine the nature and scope of its investigations in its sole discretion and will operate independently of the commercial interests of the Exchange. Absent mitigating circumstances, the Regulatory Compliance Department must complete each investigation within twelve months after the date the investigation is opened. Permissible mitigating circumstances include the complexity of the investigation, the number of Participants involved as potential respondents, the number of potential violations to be investigated and the volume of documentation and data to be analyzed.

(b) The Regulatory Compliance Department has the authority to:

i. initiate and conduct inquiries and investigations;

ii. prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;

iii. prosecute alleged violations within the Exchange's disciplinary jurisdiction; and

iv. represent the Exchange on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

(c) Upon request by a member of the Regulatory Compliance Department, each Participant:

i. is obligated to appear and testify and respond in writing to interrogatories within a reasonable specified time period in connection with: (A) the Rules, (B) any inquiry or investigation, or (C) any preparation by and presentation during a Disciplinary Action;

ii. is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within a reasonable specified time period in connection with: (A) the Rules, (B) any inquiry or investigation, or (C) any preparation by and presentation during a Disciplinary Action; and

iii. may not impede or delay any Disciplinary Action.

RULE 703. Investigation Reports

(a) The Regulatory Compliance Department will submit a written report of each investigation (an "**Investigation Report**") and maintain a log of all investigations and their disposition. Each Investigation Report will include the reasons for initiating the investigation, a summary of the complaint, if any, all relevant facts and evidence, analysis and conclusions, the

Participant's disciplinary history at the Exchange, and a recommendation as to whether disciplinary action should be pursued. Each Investigation Report will consist of one of the following recommendations:

i. closing the investigation without further action;

ii. settlement;

iii. summary action;

iv. the preparation and service of a notice of charges for instituting a disciplinary proceeding; or,

v. resolving the investigation through an informal disposition, including the issuance of a warning letter. An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction, however, the Investigation Report must include a copy of any warning letter and no more than one warning letter for the same potential violation may be issued to the same Participant during a rolling twelve month period.

(b) The Investigative Report will be provided to the Chief Regulatory Officer for a determination as to whether the Investigative Report is complete. The Chief Regulatory Officer will then provide the completed Investigative Report to the Disciplinary Panel.

RULE 704. Review of Investigation Reports

The Chief Regulatory Officer will determine whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur. The Chief Regulatory Officer will determine for each Respondent whether to authorize:

i. the informal disposition of the investigation (by issuing a warning letter or otherwise) because disciplinary proceedings are unwarranted;

ii. the closing of the investigation without any action because no reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur; or

iii. the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.

RULE 705. Opportunity to Respond

At the discretionary authority of the Chief Regulatory Officer, the Regulatory Compliance Department may notify the Respondent(s) that formal disciplinary charges are recommended and allow the Respondent to submit, within a specified time period, an offer of settlement or a written statement explaining why disciplinary proceedings should not be instituted or why one or more of the charges should not be brought.

RULE 706. Service of Notice of Charges

Once the Chief Regulatory Officer authorizes disciplinary proceedings, the Regulatory Compliance Department will prepare and serve a notice of charges that will:

i. state the acts, practices or conduct that the Respondent is alleged to have engaged in;

ii. state the Exchange Rule or provision of applicable law alleged to have been violated or about to be violated;

iii. state the proposed sanctions;

iv. advise the Respondent of its right to a hearing;

v. advise the Respondent that he has the right to be represented by legal counsel or any other representative of its choosing in all succeeding stages of the disciplinary process;

vi. state the period of time within which the Respondent can request a hearing on the notice of charges, which will not be less than twenty days after service of the notice of charges;

vii. 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

viii. advise the Respondent that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted.

The service of notice upon the Respondent shall be deemed complete either personally or by leaving the notice at his or her place of business; by deposit in the United States mail, postage prepaid, via registered or certified mail addressed to the Respondent at the address as it appears in the Participant Agreement. Service will be deemed complete via electronic mail to the electronic mail address as it appears on the books and records of the Exchange or in the Participant Agreement.

RULE 707. Answer to Service of Notice of Charges

(a) If the Respondent decides to answer a notice of charges, the Respondent must file answers within twenty days after being served with such notice, or within such other time period as stated in such notice of charges. To answer the notice of charges the Respondent must in writing:

i. specify the allegations that the Respondent denies or admits;

ii. specify the allegations that the Respondent does not have sufficient information to either deny or admit;

iii. specify any specific facts that contradict the notice of charges;

iv. specify any affirmative defenses to the notice of charges; and

v. sign and serve the answer on the Chief Regulatory Officer.

(b) Failure by the Respondent to timely serve an answer to the notice of charges will be deemed to be an admission to the allegations in such notice. Any allegation in a notice of charges that the Respondent fails to expressly deny will be deemed admitted. A general denial by the Respondent, without more, will not satisfy the requirements herein, and will be deemed to be an admission of allegations in such notice.

(c) Participants may request a formal hearing in front of a Disciplinary Panel on charges denied in the Respondent's answer to the notice of charges.

RULE 708. Settlement Offers

(a) At any time after a notice of charges has been issued, a Respondent may submit to the Regulatory Compliance Department a written offer of settlement related to anticipated or instituted disciplinary proceedings.

(b) The Chief Regulatory Officer may, in its discretion, permit the Respondent to settle disciplinary proceedings without admitting or denying the rule violations if the Respondent consents to the entry of findings and sanctions imposed. If an offer of settlement is accepted, the Disciplinary Committee shall issue a written decision specifying the rule violations it has reason to believe were committed and any penalties imposed.

(c) If an offer of settlement is accepted and the related order of disciplinary proceedings becomes final, the respondent's submission of the offer will be deemed to constitute a waiver of the right to notice, opportunity for a hearing and review and appeal under the Rules.

(d) If the offer of settlement is not accepted by the Regulatory Compliance Department or fails to become final, or is withdrawn by the Respondent, the matter will proceed as if the offer had not been made such that the Respondent shall not be deemed to have made any admissions by reason of the settlement offer and shall not be otherwise prejudiced by having submitted the settlement offer.

RULE 709. Disciplinary Panel

(a) A Disciplinary Panel, consisting of at least three individuals, at least one of whom would qualify to serve as Public Director, appointed by the Board at the recommendation of the Chief Regulatory Officer, will conduct hearings requested pursuant to RULE 707. No member of any Disciplinary Panel may have a financial, personal or other direct interest or involvement in the matter under such Disciplinary Panel's consideration.

(b) The Respondent will be notified of the appointment of the Disciplinary Panel and must respond within ten days by serving notice to the Chief

Regulatory Officer if the Respondent seeks to disqualify any individual named to the Disciplinary Panel for reasonable grounds, including that such individual has a financial interest in the matter. Legal counsel to the Exchange, other than the Chief Regulatory Officer, will decide the merits of any request for disqualification within his or her sole discretion. Such decision will be final and not subject to appeal.

(c) No Person shall serve on the Disciplinary Panel unless that Person has agreed in writing that he or she will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or any other information which may be obtained while serving as a member of the Disciplinary Panel, except for disclosures when reporting to the Board, the Regulatory Compliance Department, upon request by the Commission or other governmental agency, or when compelled to testify in a judicial or administrative proceeding.

(d) All information, records, materials and documents provided to the Disciplinary 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 an Investigation or as required by law.

RULE 710. Respondent Review of Evidence

Prior to the commencement of the hearing, the Respondent will be given the opportunity to review all books, records, documents, transcripts of testimony and other tangible evidence in the possession or under the control of the Exchange to be used by the Regulatory Compliance Department to support the allegations and proposed sanctions in the notice of charges, except for information protected by attorney-client privilege. The Regulatory Compliance Department may redact, edit or code information that could adversely affect the competitive position of the person providing the information or if such information might compromise other investigations being conducted by the Regulatory Compliance Department. However, the Regulatory Compliance Department may not redact, edit or code information that would impair the Respondent's ability to defend against allegations or proposed sanctions in the notice of charges. For purposes of this RULE 710, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or liquidating positions, the identity of any Participant, and the personal finances of any Person.

RULE 711. Conducting Hearings of Disciplinary Proceedings

(a) Each hearing conducted in connection with a Disciplinary Proceeding will be conducted privately and confidentially. Notwithstanding the confidentiality of the hearings, the Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.

(b) After reasonable notice to each respondent, the Disciplinary Panel will promptly convene a hearing to conduct the disciplinary proceedings with

respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Regulatory Compliance Department.

(c) The chair of the Disciplinary Panel shall 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. Legal counsel, other than the Chief Regulatory Officer, will provide guidance to the chair of the Disciplinary Panel on the conduct of the hearing.

(d) At each hearing, the Regulatory Compliance Department will present its case supporting the allegations and proposed sanctions in the notice of charges to the Disciplinary Panel and each Respondent that has timely filed an answer to the notice of charges in accordance with RULE 707 will be entitled to attend and participate in the hearing.

(e) Both the Regulatory Compliance Department and each respondent may (i) present facts and evidence deemed relevant by the Disciplinary Panel, (ii) call and examine witnesses, and (iii) cross-examine witnesses called by other parties.

(f) The formal rules of evidence will not apply during any hearing.

(g) Each Respondent has the choice of being represented by legal counsel or other representatives, provided that no such counsel or representative shall be an employee of the Exchange or any person substantially related to the underlying investigation.

(h) 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 a Respondent fails to file an answer but appears at the hearing, the Respondent may not participate in the hearing (by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the notice of charges, or otherwise) unless 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 will adjourn the hearing and direct the Respondent to promptly file a written answer.

(i) Reasonable notice, confirmed in writing, specifying the date, time, and place of the hearing will be given to Persons entitled or required to appear before the Disciplinary Panel. The Disciplinary Panel may impose sanctions on any person that impedes or delays the progress of the hearing. Interlocutory appeals of rulings by the Disciplinary Panel or the chair of the Disciplinary Panel are not permitted.

(j) If during any disciplinary proceedings the Disciplinary Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule of the Exchange or a provision of Applicable Law other than the violations alleged in the Notice of Charges, the Disciplinary Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with RULE 707. In connection with considering apparent violations pursuant to this RULE 711(j), the Disciplinary Panel may request that the Regulatory Compliance Department provide the Disciplinary Panel with any additional information related to the violations at issue.

(k) The Exchange 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 a transcript of the hearing is requested by the CFTC staff or the respondent, the decision of the Disciplinary Panel is appealed pursuant to RULE 715, or is reviewed by the CFTC pursuant to Section 8c of the CEA or part 9 of Chapter 38 of the CFTC Regulations, the Exchange shall produce a transcript of the hearing; provided, however, that the costs of transcribing the hearing shall be borne by the respondent if the respondent requests the transcript, appeals the decision of the Disciplinary Panel pursuant to RULE 715, or submits an application for the decision of the Hearing Panel to be reviewed by the CFTC and such application is granted.

(l) No interlocutory appeals of any rulings made by a Disciplinary Panel or a chair of a Disciplinary Panel are permitted.

RULE 712. Decision of a 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 a decision of the Disciplinary Panel.

(b) The Exchange will serve each of the Respondents and the Regulatory Compliance Department with a copy of the order of the Disciplinary Panel. The order will include:

i. The notice of charges or summary of the charges;

ii. The answer, if any, or a summary of the answer;

iii. A brief summary of the evidence introduced at the hearing or, where appropriate, incorporation by reference of the Investigation Report;

iv. A statement of findings and conclusions concerning each charge, including a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge;

v. An indication of each specific Rule that the Respondent was found to have violated;

vi. A declaration of all sanctions imposed against the Respondent, including the basis for such sanctions and the effective date of such sanctions; and

vii. Notice of the respondent's right to appeal pursuant to RULE 715.

(c) The decision of the Disciplinary Panel will become final upon expiration of twenty days after the order is served on the Respondent unless a timely notice of appeal is filed in accordance with RULE 715.

RULE 713. Sanctions

(a) After notice and opportunity for hearing in accordance with Exchange Rules, the Exchange will impose sanctions if any Participant, Authorized User, or other Person using any of the Participant's User IDs is found to have violated or to have attempted to violate a Rule of the Exchange or provision of applicable law for which the Exchange possesses disciplinary jurisdiction. All sanctions must take into account the Respondent's disciplinary history. In the event of demonstrated customer harm, any sanction must also include full customer restitution. The Exchange may impose one or more of the following sanctions or remedies:

i. warning letter, provided that no more than one warning letter may be issued to the same person found to have committed the same rule violation within a rolling twelve month period;

ii. censure;

iii. limitation on, suspension of or termination of Trading Privileges, ability to otherwise access the AIX System and the Exchange, and/or other activities, functions or operations;

iv. fine of up to $1,000,000 for each violation of Exchange Rules or a provision of applicable law;

v. restitution or disgorgement;

vi. termination of trading privileges and/or ability to otherwise access Exchange; or

vii. any other sanction or remedy deemed to be appropriate.

(b) If a fine or other amount is not paid within thirty days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three percent. The Exchange has sole discretion to select the bank on whose quotations to base the

prime rate. Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its traders or supervisors.

RULE 714. Summary Actions

(a) Summary Suspensions

At any time, the Chief Regulatory Officer, in consultation with the Regulatory Oversight Committee, may summarily suspend, revoke, limit, or condition a Participant's Trading Privileges. The Chief Regulatory Officer must reasonably believe that suspension, revocation, limitation or condition is necessary to protect the best interest of the Exchange or the marketplace, based on relevant circumstances including (but not limited to) any of the following reasons:

i. failure to satisfy applicable requirements under the CEA and/or the regulations of the CFTC;

ii. failure to pay fees or fines or arbitration awards; and/or

iii. a reasonable basis for believing the best interest of the public or the Exchange is at risk and immediate action is necessary.

Any Participant that is suspended by the Chief Executive Officer as a result of a summary action is to be notified at the earliest possible opportunity as appropriate considering the best interest of the marketplace. Such notice shall state:

i. the exact action taken,

ii. the reasons for the action, and

iii. the time and date the action has or is to become effective as well as the duration of the action.

The Respondent may file a notice of appeal pursuant to RULE 715 seeking reinstatement within twenty days after the notice of action is served on the Respondent. Otherwise, the summary action becomes final twenty days after the notice of action is served on the Respondent. The Respondent shall have the right to be represented by legal counsel in all proceedings subsequent to summary action taken pursuant to this paragraph (a).

(b) Summary Imposition of Fines

The Regulatory Compliance Department may summarily impose a fine, not to exceed $5,000 for each violation, against any Participant for:

i. failure to cooperate with the Regulatory Compliance Department as required by Exchange Rules;

ii. failure to make timely and accurate submissions to the Exchange of notices, reports or other information required by Exchange Rules; or

iii. failure to keep any books and records required by Exchange Rules.

The Regulatory Compliance Department will give notice of any fine imposed that will specify:

i. the violation of the Exchange Rule for which the fine is being imposed;

ii. the date of the violation for which the fine is being imposed; and

iii. the amount of the fine.

Within twenty days of the service of the notice of the fine imposed, the Participant may either pay the fine or file a notice of appeal pursuant to Rule 715. Unless timely notice of appeal is filed, the fine will become final upon expiration of twenty days after the notice of fine is served on the Participant. The Respondent shall have the right to be represented by legal counsel in all proceedings subsequent to summary action taken pursuant to this paragraph (b).

RULE 715. Appeal from Disciplinary Panel Decisions and Summary Actions

(a) Appeal Procedures

A Respondent found by the Disciplinary Panel to have violated an Exchange Rule or Applicable Law or who is subject to any summary action imposed pursuant to RULE 714 may appeal the decision within twenty days of receiving the order of the Disciplinary Panel decision or notice of summary action by filing a notice of appeal with the Chief Regulatory Officer. Except for summary suspensions imposed pursuant to paragraph (a) of RULE 714, Disciplinary Panel decisions and summary imposition of fines shall be suspended while the appeal is pending.

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. The Respondent may give notice of appeal on the grounds that:

i. the order or decision was arbitrary, capricious, an abuse of discretion, or not in accordance with Exchange Rules;

ii. the order or decision exceeded the authority or jurisdiction of the Disciplinary Panel, the Disciplinary Committee or the Exchange;

iii. the order or decision failed to observe required procedures;

iv. the order or decision was unsupported by the facts or evidence; or

v. the imposed sanctions, remedies or costs are inappropriate or unsupported by the record.

The Chief Regulatory Officer will forward copies of any notice of appeal received by it to all parties to the disciplinary proceeding or summary action, as the case may be, except the appellant. On or before the twentieth day after filing a notice of appeal, the appellant must file with the Chief Regulatory Officer and serve on the Regulatory Compliance Department a brief supporting the notice of appeal and documents supporting the brief. On or before the twentieth day after the date on which the appellant serves its supporting brief, the appellee must file and serve its brief in opposition with the Regulatory Compliance Department.

In connection with any appeal, the Regulatory Compliance Department will furnish to the Chief Regulatory Officer and to the respondent a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal and briefs filed to support and oppose the appeal.

Within thirty days after the last submission filed, the Board will appoint an Appeals Panel at the recommendation of the Chief Regulatory Officer, which shall be composed of not less than three individuals, at least one of whom would qualify to serve as Public Director and all of whom did not participate in any prior stage of the disciplinary proceeding. No member may serve on the Appeals Panel if such person or any person or firm with whom such person is affiliated has a financial, personal, or other direct interest or involvement in the matter. The individuals on the Appeals Panel will serve until the related proceedings are completed. The chair of the Appeals Panel will be an individual qualified to be a Public Director.

Within 10 days of being notified of the appointment of the Appeal Panel, an appellant may seek to disqualify any individual named to the Appeal Panel for the reasons identified in RULE 211 or for any other reasonable grounds, by serving written notice on the Chief Regulatory Officer. By not timely filing a request for disqualification, the appellant will be deemed to have waived any objection to the composition of an Appeal Panel. The legal counsel of the Exchange will decide the merits of any request for disqualification within his or her sole discretion

(b) Review by the Appeals Panel

The Appeals Panel will hold a hearing to allow parties to present oral arguments. Except for good cause shown, the review by the Appeals Panel shall only consider the record before the Disciplinary Panel, the written exceptions filed by the parties, and the oral and written arguments of the parties.

Upon completing its review, the Appeals Panel may affirm, modify or reverse the Disciplinary Panel decision or summary action under appeal. Modifications by the Appeals Panel may include increasing, decreasing or eliminating any sanction or remedy imposed, imposing any other sanction or

remedy authorized by Exchange Rules, remanding the matter to the same or a different Disciplinary Panel for further disciplinary proceedings, or ordering a new hearing.

As promptly as reasonably possible following its review, the Appeals Panel will issue a written decision based on the weight of the evidence before the Appeals Panel. The decision of the Appeals Panel will include a statement of findings of fact and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Exchange Rule and provision of applicable law that the Respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the effective date of each sanction, remedy or cost. The order by the Appeals Panel will be the final action of the Exchange and will not be subject to further appeal within the Exchange.

RULE 716. Rights and Responsibilities After Suspension or Termination

(a) When the Participant's right to access the Exchange, or the association of an Authorized User with a Participant, is suspended for a period of twelve months or less, none of its rights (including the right to hold oneself out to the public as a Participant; enter orders into the Exchange; and receive Participant rates for fees, costs, and charges) will apply during the period of the suspension, except for the right of the Participant or Authorized User in question to assert claims against others as provided in the Rules. Any such suspension will not affect the rights of creditors under the Rules or relieve the Participant or Authorized User in question of its, his, or her obligations under the Rules to perform any Transactions entered into before the suspension, or for any Exchange fees, costs, or charges incurred during the suspension. The Exchange may discipline a suspended Participant or Authorized User under this CHAPTER 7 for any violation of Applicable Law committed by the Participant before, during, or after the suspension.

(b) When the Participant's right to access the Exchange, or the association of an Authorized User with a Participant, is terminated, all of its rights will terminate, except for the right of the Participant or Authorized User in question to assert claims against others, as provided in the Rules. Any such termination will not affect the rights of creditors under the Rules. A terminated Participant or Authorized User may only seek to reinstate its right to access the Exchange by filing an application in accordance with CHAPTER 3 of the Rules. The Exchange will not consider the application of a terminated Participant or Authorized User if such Participant or Authorized User continues to fail to appear at Disciplinary Actions without good cause, or continues to impede the progress of Disciplinary Actions.

(c) A suspended or terminated Participant or Authorized User remains subject to the Rules and the jurisdiction of the Exchange for acts and omissions prior to the suspension of termination, and must cooperate in any inquiry, investigation, Disciplinary Actions, appeal of Disciplinary Actions, summary suspension, or other summary action as if the suspended or terminated

Participant or Authorized User still had the right to access the Exchange, or was still associated with a Participant, as the case may be.

(d) In the event of the suspension or revocation of a Participant's or Authorized Broker's Trading Privileges or ability to otherwise access the Exchange, the Exchange shall seek to facilitate the transfer of any Customer Accounts held by such Participant or Authorized Broker to other Participants or Authorized Brokers, as the case may be, with Trading Privileges or ability to otherwise access the Exchange (as applicable).

RULE 717. Notice to the Respondent, the CFTC, and the Public

The Exchange will provide written notice of Disciplinary Actions to the parties, the CFTC and any Regulatory Services Provider consistent with applicable CFTC Regulations. Whenever the Exchange suspends, expels, fines, or otherwise disciplines, or denies any Person access to the Exchange, the Exchange will make the public disclosures required by CFTC Regulations.

CHAPTER 8. ARBITRATION

RULE 801. In General

(a) Participants shall arbitrate through the NFA all disputes, controversies or claims between or among themselves that relate to or arise out of any Contract or otherwise arise out of one or more Transactions made or to be made on the Exchange or subject to the Rules and that are based upon facts and circumstances that occurred at a time when the parties were Participants.

(b) The arbitration will be conducted in Chicago, Illinois, by an arbitrator operating in accordance with the provisions of the NFA's Code of Arbitration and Member Arbitration Rules in effect at the time of filing of the claim for arbitration. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including the issuance of an injunction.

(c) The fees and expenses of such arbitration shall be borne by the non-prevailing Party, as determined by such arbitration.

(d) Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief, neither Party may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the other Party.

RULE 802. Customer Arbitration

(a) Except as otherwise provided in RULE 703(b), any dispute between a Participant or any of its Supervised Persons, on the one hand, and a Customer of such Participant, on the other hand, arising out of or in connection with the solicitation or acceptance of any order for execution of any Contract shall be subject to arbitration by the NFA Arbitration Program in accordance with its

customer arbitration rules. Except as otherwise provided in RULE 802(b), any dispute between two or more Customers, or between a Participant and a Customer that is not a Customer of such Participant, arising out of or in connection with the solicitation or acceptance of any order for execution of any Contract shall be subject to arbitration by the NFA Arbitration Program in accordance with its member arbitration rules.

(b) Notwithstanding RULE 802(a), the submission of any dispute involving a Customer who is not an Eligible Contract Participant to arbitration shall be voluntary on the part of such Customer.

RULE 803. Claims Relating to Trade Cancellations or Price Adjustments

All claims relating to trade cancellations or price adjustments pursuant to RULE 409 shall be resolved in accordance with this CHAPTER 8.

RULE 804. Notice

The Exchange will ensure that Persons subject to arbitration under this CHAPTER 8 will be provided with adequate notice of the claims presented against such Person, as well as any fees and costs that may be assessed against such Person.

RULE 805. Right to Counsel

Every Person is entitled to represent her own interests, be represented by counsel of her choosing and at her own expense who is admitted to practice before the highest court in any State, by a family member, or be represented by any other non-compensated representative. An entity must be represented by an officer or owner of the entity or by counsel.

RULE 806.Exceptions

This CHAPTER 8 does not apply to disputes between Participants that: (i) such Participants 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 Participants have, by valid and binding agreement, committed to negotiate or litigate in a forum other than the NFA arbitration program.

RULE 807. Penalties

(a) Any failure on the part of a Participant to arbitrate a dispute subject to this CHAPTER 8, or the commencement by any such person of a suit in any court prior to arbitrating a case subject to this CHAPTER 8, violates the Rules and shall subject such Participant to Disciplinary Action pursuant to CHAPTER 7.

(b) The Exchange may summarily suspend, pursuant to RULE 714, a Participant that fails to timely satisfy an arbitration award rendered in any arbitration pursuant to this CHAPTER 8.

CHAPTER 9. MISCELLANEOUS

RULE 901. Trading by Exchange Officials Prohibited; Misuse of Material, Non-Public Information

(a) Terms used in this RULE 901 and not otherwise defined in the Rules shall have the meanings set forth in CFTC Regulations §§ 1.3 and 1.59. As used in this RULE 901, the term "Exchange Official" does not include any member of the Board, a committee established by the Board, a Disciplinary Panel or Appeals Panel if such Person is not also an officer or employee of the Exchange.

(b) No Exchange Official may trade, directly or indirectly, (i) any Contract traded on or subject to the Rules or any related financial instrument, or (ii) any Contract or financial instrument where such Exchange Official has access to material non-public information concerning such Contract or financial instrument.

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

i. participation in pooled investment vehicles where such Exchange Official has no direct or indirect control over Transactions effected by or for the account of the pool;

ii. service by such Exchange Official as an executor or administrator of an estate;

iii. service by such Exchange Official in any other fiduciary capacity, such as an officer of a charitable organization, in which such Exchange Official receives no pecuniary benefit from the trading of Contracts or other financial instruments;

iv. trading in Contracts or financial instruments executed on or subject to the rules of a swap execution facility, a designated contract market or a national securities exchange under circumstances in which such Exchange Official's access to material non-public information in respect of such financial instruments is sufficiently minimal or attenuated so as to be insignificant; and

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

(d) For the avoidance of doubt, participation by an Exchange Official in a retirement plan sponsored by the Exchange shall not be deemed to constitute

trading directly or indirectly in a Contract or financial instrument, notwithstanding such plan's trading of Contracts or financial instruments.

(e) Any Exchange Official that has received an exemption under clause (ii) of paragraph (c) must:

i. furnish to the Exchange (or, in the case of the Chief Regulatory Officer, to the Board) account statements and other documents relevant to the trading activities that are so exempted; and

ii. inform the Chief Regulatory Officer (or, in the case of the Chief Regulatory Officer, the Board) within one business day of any material change of information that may affect such Exchange Official's qualification for such exemption.

(f) Exchange Officials, agents and independent contractors of the Exchange are prohibited from disclosing material non-public information obtained as a result of their employment, agency relationship or engagement with the Exchange where the Exchange Official, agent or independent contractor expected or should have reasonably expected that the information disclosed may assist a Person in trading any Contract, any Contract traded on another designated contract market or other market, or any related underlying commodity or security.

RULE 902. Market Data

(a) Each Participant, on behalf of itself and each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing, hereby acknowledges and agrees that the Exchange owns and shall retain all right, title and interest in and to the Exchange, all components thereof, including without limitation all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including, without limitation all registered or unregistered, as applicable (i) copyright, (ii) trade mark, (iii) service mark, (iv) trade secret, (v) trade name, (vi) data or database rights, (vii) design rights, (viii) moral rights, (ix) inventions, whether or not capable or protection by patent or registration, (x) rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, (xi) patent, and (xii) other intellectual property and ownership rights, including applications for the grant of any of the same, in or to the Exchange and all other related proprietary rights of the Exchange 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, without limitation, the market data, the "**Proprietary Information**"). Each Participant, on behalf of itself and each of its Affiliates, Registered Users and other Persons affiliated with any of the foregoing, further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of the

Exchange. Each Participant acknowledges and agrees that it shall not and shall not permit its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing 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 Exchange or the Proprietary Information. Each Participant, further agrees to and to cause each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing to, keep the Proprietary Information confidential and not to transfer, rent, lease, loan, sell or distribute, directly or indirectly, all or any portion of the Exchange or any Proprietary Information.

(b) All Participants and all employees, agents, vendors, and other Persons affiliated with the foregoing understand and acknowledge that the Exchange has a proprietary interest in:

i. the price and quantity data from each and every Transaction, including the time at which the Transaction was executed by, or submitted to, the Exchange and the User ID under which it was entered (as well as other information identifying persons involved in the Transaction);

ii. the price and quantity data of each bid and offer submitted to the Exchange, including the time at which such bid or offer was submitted to the Exchange;

iii. the yield curves prepared by the Exchange;

iv. any data and information derived from (i), (ii) and (iii) and the format and presentation thereof; and

v. the transmissions and dissemination of the data and information to Participants, any publisher of the data or information with whom the Exchange has a written agreement, and any other Persons.

(c) Notwithstanding any other provision of this RULE 902, each Participant retains only 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 Exchange by such Participant and its Authorized Users.

(d) Subject to the provisions of paragraph (a), all Participants, Authorized Users and other Persons affiliated with either of the foregoing hereby acknowledge and agree that the Exchange is the owner of all rights, title and interest in and to all intellectual property and other proprietary rights (including all copyright, patent, trademark or trade secret rights) in market data, and all derivative works based thereon, and further agree not to distribute, create derivative works based on, or otherwise use or commercially exploit market data and any such derivative works, provided that Participants, Registered Users and such other Persons may use market data for their own internal business purposes. Without limiting the generality of the foregoing, Participants, Authorized Users and other Persons affiliated with any of the

foregoing may not distribute, sell or retransmit market data Exchange to any third party.

(e) Notwithstanding any other provision of this RULE 902, except as may otherwise be required by law or permitted by RULE 216 or in any written agreement between the Exchange and such Participant, the Exchange shall not disclose market data other than on an aggregated basis that does not directly or indirectly identify individual Participants.

RULE 903. Recording of Communications

The Exchange or the Regulatory Services Provider may record conversations and retain copies of electronic communications between Exchange Officials and Participants, their Authorized Users or other agents. Any such recordings may be retained by the Exchange or the Regulatory Services Provider in such manner and for such periods of time as the Exchange may deem necessary or appropriate, including as may be required by Applicable Law.

RULE 904. Communications between the Exchange and Participants

Each Participant must provide the Exchange with its current electronic mail address and the electronic mail address of any of its Authorized Users and immediately (and in any event within 24 hours) update that address whenever it changes. All communications between the Exchange and the Participant will be transmitted by electronic mail and/or posted on the Exchange website, except as otherwise specified by the Exchange. The Participant shall be responsible for conveying such communications to Persons to whom the Participant has given its User IDs. Each Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from the Exchange to the Participant or any of its Authorized Users, its other Supervised Persons or any Person to whom it has given User ID(s) assigned to it by the Exchange. The RSP will have access to such communications to the extent required to perform certain regulatory services to the Exchange pursuant to the Regulatory Services Agreement. All communications made to Participants shall also be deemed to have been made to all Authorized Users and Supervised Persons.

RULE 905. Confidentiality

Except as provided in RULE 902, all information provided by a Participant to the Exchange 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 providing such information;

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

(c) pursuant to legal process;

(d) to a Clearing House of which such Participant is a member or in connection with the clearing of a Contract;

(e) subject to appropriate confidentiality requirements, to any Person providing services to the Exchange, including but not limited to the Regulatory Services Provider;

(f) to the Board, any committee, Exchange Officials, attorneys and auditors, and to agents and independent contractors that have been engaged by the Exchange who require such information in connection with the discharge of their duties to the Exchange; and

(g) as otherwise permitted under the Rules.

RULE 906. Extension or Waiver of Rules

The Exchange 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 Applicable Law.

RULE 907. Signatures

Rather than rely on an original signature, the Exchange may elect to rely on a signature that is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to 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 908. Governing Law; Legal Proceedings

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

(b) Any action, suit or proceeding against the Exchange, its officers, directors, limited liability company members, employees, agents, or any member of any committee must be brought with in one 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 Cook County, Illinois. Each Participant 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 Affiliate of such Participant who fails to prevail in a lawsuit or other legal proceeding instituted by such Participant or such Affiliate against (i) the Exchange or (ii) any Affiliate of the Exchange or any of their respective officers, directors, equity holders, employees, agents, or any member of any committee, and related to the

business of the Exchange, such Participant shall pay to the Exchange all reasonable expenses, including attorneys' fees, incurred by the Exchange in the defense of such proceeding. This paragraph (c) shall not apply to Exchange disciplinary actions, appeals thereof, or an instance in which the Board has granted a waiver of the provisions hereof.

RULE 909. LIMITATION OF LIABILITY; NO WARRANTIES

PARTICIPANT'S USE OF THE SERVICES, THE AIX SYSTEM, THE AIX EXCHANGE AND ANY OTHER INFORMATION AND MATERIALS PROVIDED BY AIX, IS AT PARTICIPANT'S OWN RISK, AND THE SERVICES, THE AIX EXCHANGE AND ANY OTHER INFORMATION AND MATERIALS PROVIDED BY AIX HEREUNDER ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, WITHOUT WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, BY STATUTE, COMMON LAW OR OTHERWISE INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON- INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. AIX DOES NOT GUARANTEE THAT (i) THE AIX EXCHANGE OR THE SERVICES WILL OPERATE IN AN ERROR FREE, SECURE OR UNINTERRUPTED MANNER, (ii) ANY INFORMATION OR MATERIALS PROVIDED BY AIX OR ACCESSIBLE THROUGH THE AIX EXCHANGE WILL BE ACCURATE, COMPLETE, RELIABLE, OR TIMELY, OR (iii) THE AIX EXCHANGE OR ANY ASPECTS OF THE SERVICES WILL BE FREE FROM VIRUSES OR OTHER HARMFUL COMPONENTS. AIX SHALL HAVE NO LIABILITY FOR THE CREDITWORTHINESS OF ANY PARTICIPANT OR FOR THE ACTS OR OMISSIONS OF ANY AUTHORIZED USER UTILIZING THE SERVICES OR ANY ASPECT OF THE SERVICES OR AIX SYSTEM. PARTICIPANT ACKNOWLEDGES THAT PARTICIPANT'S ACCESS TO THE AIX SYSTEM AND THE SERVICES IS INTERNET-BASED AND THAT AIX HAS NO CONTROL OVER THE INTERNET OR PARTICIPANT'S CONNECTIONS THERETO. PARTICIPANT FURTHER ACKNOWLEDGES THAT THE INTERNET, COMPUTER NETWORKS, AND COMMUNICATIONS LINKS AND DEVICES NECESSARY TO ENABLE PARTICIPANT TO ACCESS AND USE THE AIX SYSTEM AND THE SERVICES ARE INHERENTLY INSECURE AND VULNERABLE TO ATTEMPTS AT UNAUTHORIZED ENTRY AND THAT NO FORM OF PROTECTION CAN ENSURE PARTICIPANT'S DATA, HARDWARE, OR SOFTWARE OR THE AIX SYSTEM OR OTHER AIX EXCHANGE WILL BE FULLY SECURE. FURTHERMORE, AIX SHALL HAVE NO OBLIGATION TO MONITOR OR VERIFY ANY INFORMATION DISPLAYED THROUGH THE AIX SYSTEM.

EXCLUDING ANY LIABILITY FOR SUCH PARTY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, AND EXCLUDING, IN THE CASE OF PARTICIPANT, PARTICIPANT'S INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 10 OF THE PARTICIPANT AGREEMENT, EACH PARTY AGREES THAT IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS, LOSS OF REVENUE, LOSS OR CORRUPTION OF DATA, TRADING LOSSES OR BUSINESS INTERRUPTION AND THE LIKE, ARISING IN ANY MANNER WHATSOEVER OUT OF OR IN CONNECTION WITH

THIS AGREEMENT OR ANY USE (WHETHER OR NOT AUTHORIZED) OR INABILITY TO USE THE AIX EXCHANGE OR ANY OTHER INFORMATION OR MATERIALS PROVIDED TO PARTICIPANT BY AIX OR ACCESSIBLE THROUGH THE SERVICES, INCLUDING THE ACCURACY, COMPLETENESS, RELIABILITY, TIMELINESS, QUALITY, SECURITY, PERFORMANCE, OR PRICING OF THE SERVICES OR ANY FAILURES, DEGRADATIONS OR DELAYS ASSOCIATED THEREWITH, REGARDLESS OF WHETHER SUCH DAMAGES ARISE IN TORT, CONTRACT, OR OTHERWISE, AND EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, IF A COURT OR OTHER TRIBUNAL OF COMPETENT JURISDICTION SHOULD FIND AIX LIABLE FOR ANY LOSS, DAMAGE OR EXPENSES UNDER THIS AGREEMENT, THE AGGREGATE LIABILITY OF AIX UNDER THE AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL IN NO EVENT EXCEED THE GREATER OF (i) $10,000 OR (ii) THE TOTAL COMMISSIONS, FEES, OR OTHER AMOUNTS (EXCLUDING ANY APPLICABLE TAXES AND DUTIES) PAID TO AIX BY PARTICIPANT DURING THE SIX MONTHS PRECEDING THE DATE ON WHICH THE EVENTS GIVING RISE TO SUCH LIABILITY AROSE.

ANY CLAIM FOR REDRESS OR DAMAGES HEREUNDER SHALL BE FILED IN A COURT OF COMPETENT JURISDICTION WITHIN TWO YEARS OF THE DATE ON WHICH SUCH CLAIM ALLEGEDLY AROSE. FAILURE TO INSTITUTE LITIGATION WITHIN SUCH TIME PERIOD SHALL BE DEEMED TO BE A WAIVER OF SUCH CLAIM AND THE CLAIM SHALL BE OF NO FURTHER FORCE OR EFFECT. THE ALLOCATIONS OF LIABILITY IN THIS RULE 909 REPRESENT THE AGREED AND BARGAINED FOR UNDERSTANDING OF THE PARTIES, AND EACH PARTY ACKNOWLEDGES THAT THE OTHER PARTY'S RIGHTS AND OBLIGATIONS HEREUNDER REFLECT SUCH ALLOCATIONS. THE PARTIES AGREE THAT THEY WILL NOT ALLEGE THAT THIS REMEDY FAILS ITS ESSENTIAL PURPOSE.

PARTICIPANT FURTHER AGREES THAT THE PROVISIONS OF THE RULES OF THE CLEARING HOUSE LIMITING THE LIABILITY OF THE CLEARING HOUSE TO ITS MEMBERS SHALL APPLY TO PARTICIPANT AS FULLY AS IF PARTICIPANT WERE A MEMBER OF THE CLEARING HOUSE MUTATIS MUTANDIS.

APPENDIX A – MINIMUM BLOCK SIZES FOR AIX EXCHANGE CONTRACTS

The minimum sizes for Block Trades are as follows:

AIX Exchange Contract Description	Minimum Block Size (Lots)

APPENDIX B – REPORTING LEVELS AND POSITION LIMITS

Position Limits and Reporting Levels

AIX Exchange Contract	Spot Month Position Limit	Reportable Level