Exhibit M-1

GFI SWAPS EXCHANGE LLC

RULEBOOK

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CHAPTER 1
DEFINITIONS

101. Definitions

Unless otherwise specifically provided in the Rules or the context otherwise requires, the terms defined in this Chapter have the meanings specified herein for all purposes of the Rules.

"**Affiliate**" means an "Affiliate" of, or a Person "Affiliated" with, another Person is a Person who, directly or indirectly, controls, is controlled by, or is under common control with, such other Person.

"**Appeal Panel**" means the panel appointed in accordance with Rule 701(h) to hear appeals of decisions of a Disciplinary Panel.

"**Applicable Law**" means, with respect to any Person, any statute, law, regulation, rule or ordinance of any Regulatory Authority applicable to such Person, including the CEA, CFTC Regulations and, to the extent applicable to such Person, similar foreign laws or regulations.

"**Auction**" means the process for trading Swaps set forth in Rule 507(c).

"**Block Trade**" means a privately negotiated transaction in Swaps of the type and exceeding the minimum quantity set forth in Rule 601.

"**Board**" means the board of directors of the Company constituted in accordance with the limited liability company agreement of the Company and these rules.

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

"**CEA**" means the Commodity Exchange Act.

"**CFTC**" means the Commodity Futures Trading Commission.

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

"**Chairman**" means the individual serving as chairman of the board of the Company from time to time.

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

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

"Cleared Swap" means a Swap that either is required to be cleared pursuant to Section 2(h)(2)(D) of the CEA and CFTC Regulation 39.5 or that is submitted for

clearing to a Derivatives Clearing Organization by or on behalf of the parties to the Swap even though such Swap is not required to be cleared.

"**Clearing Firm**" means a member or participant of a Derivatives Clearing Organization that is authorized pursuant to the rules of such Derivatives Clearing Organization to clear trades in any or all Swaps.

"**Commodity**" has the meaning set forth in Section 1a(4) of the CEA.

"**Company**" means GFI Swaps Exchange LLC, or any successor thereto.

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

"**Company Proceeding**" means any Disciplinary Proceeding, appeal from a Disciplinary Proceeding, summary suspension or other summary action taken by the Company pursuant to Chapter 7 of the Rules.

"**Company Requirements**" means (i) the Rules, (ii) other requirements implemented by the Company under the Rules, (iii) each term of a Swap, and (iv) the Participant documentation and other contractual obligations between a Participant (including its Sponsored Access Firms and its Registered Traders) and the Company.

"**Compliance Department**" means representatives of the Company designated by the Company as members of the Compliance Department and agents of the Company (including any Regulatory Services Provider) that assist the Company in the implementation, surveillance, and enforcing of its rules and related obligations.

"**CTI code**" has the meaning given to it in Rule 506(d).

"**Customer**" means any Person for whom a Participant or Sponsored Access Firm carries an account (other than a "proprietary account," as such term is defined in CFTC Regulations) or from whom a Participant or Sponsored Access Firm solicits or accepts an Order.

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

"**Director**" means any member of the Board.

"**Disciplinary Panel**" means the panel appointed pursuant to Rule 709 to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 717) to make findings, render decisions and impose sanctions pursuant to Chapter 7 of the Rules.

"**Eligible Contract Participant**" has the meaning given that term in section 1a(18) of the CEA and in CFTC Regulation 1.3(m).

"**Emergency**" means 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 Swaps, or the timely collection and payment of funds in connection with clearing and settlement by a Derivatives Clearing Organization, and which, in the opinion of the Chief Executive Officer or his or her designee, requires immediate action, including: any manipulative or attempted manipulative activity; any actual, attempted or threatened corner, squeeze, congestion or undue concentration of positions; any circumstances which may materially affect the performance of Swaps traded pursuant to the Rules, including failure of the payment system or the bankruptcy or insolvency of any Participant or any other Person; any action taken by any Regulatory Authority or any other board of trade, market, facility or clearing organization which may have a direct impact on trading on the Company or clearing and settlement by a Derivatives Clearing Organization; and any other circumstance which may have a severe, adverse effect upon the functioning of the Company or a Derivatives Clearing Organization.

"FCM Participant" means a Participant that is registered with the CFTC as a futures commission merchant.

"IB Participant" means a Participant that is registered with the CFTC as an introducing broker.

"**Indication of Interest**" means a non-firm expression of trading interest transmitted by a Participant, Sponsored Access Firm or Registered Trader containing the following: side (buy or sell), quantity and price.

"**Independent Software Vendor**" or "**ISV**" means a Person that makes available to Participants and Sponsored Access Firms a system or platform offering smart order routing, front-end trading applications, an aggregator platform or a combination of the foregoing but that does not provide Participants or Sponsored Access Firms the ability to effect transactions on the Trading Platform.

"**Market Data**" means any and all data and other information contained in, displayed on, generated by or derived from the Trading Platform or reported to the Company in connection with Block Trades, including without limitation bids, offers, prices and volumes.

"**NFA**" means the National Futures Association.

"**Nominating Committee**" means the committee of the Board constituted pursuant to Rule 205.

"**Officer**" has the meaning given to it in Rule 202(a).

"**Operating Agreement**" means the Limited Liability Company Agreement of the Company, as it may be amended or restated from time to time.

"**Order**" means any bid or offer to buy or sell a Swap pursuant to the Rules (including bids and offers submitted in connection with an Auction), and includes any modification to or cancellation of such a bid of offer, but does not include a Request for Quote, a counteroffer to an RFQ, or an Indication of Interest.

"**Order Book**" means, with respect to a particular Swap, the book of Orders maintained by the Trading Platform with respect to such Swap.

"**Participant**" means a Person (other than an individual or an ISV) that has been authorized by the Company to have access to the Trading Platform pursuant to Rule 301 and to permit Sponsored Access Firms and Registered Traders to have access to the Trading Platform pursuant to Rules 304 and 305.

"**Participant Data**" means any and all data and other information submitted to the Trading Platform, or reported to the Company in connection with Block Trades, by a Participant regarding any and all transactions entered into by such Participant.

"**Permitted Transaction**" means a transaction involving a swap that is not subject to the trade execution requirement in section 2(h)(8) of the CEA.

"**Person**" means any natural person, association, partnership, limited liability company, joint venture, trust or corporation.

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

"**Registered Trader**" means an individual who is employed by or is an agent of a Participant or a Sponsored Access Firm and who has been authorized to access the Trading Platform pursuant to Rule 305 and to place Orders and execute transactions on behalf of such Participant or Sponsored Access Firm. When used in reference to a Participant, "Registered Trader" means and includes (i) such Participant's Registered Traders and (ii) employees and agents of the Participant's Sponsored Access Firms who have been designated by the Sponsored Access Firm as Registered Traders.

"**Regulatory Authority**" means 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).

"**Regulatory Oversight Committee**" means the committee of the Board constituted pursuant to Rule 206(b).

"**Regulatory Services Agreement**" means the agreement(s) between the Company and the Regulatory Service 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**" means NFA and such other organizations, if any, that provide regulatory services to the Company, together with any such organization's employees and agents.

"**Reporting Counterparty**" means, for purposes of Rule 601 and Part 45 of CFTC Regulations, the Participant or Sponsored Access Firm that is designated as such pursuant to Rule 540.

"**Request for Quote**" and "**RFQ**" have the meaning given to these terms in Rule 508 and, unless the context otherwise requires, includes both requests for quotes and responses to such requests, including counteroffers that may be made upon receipt of a response to an RFQ.

"**Required Swap Creation Data**" has the meaning given that term in CFTC Regulation 45.1.

"**Required Transaction"** means a transaction involving a swap that is subject to the trade execution requirement in section 2(h)(8) of the CEA.

"**Responsible Person**" has the meaning ascribed to it in Rule 407(a).

"**Review Panel**" means a disciplinary panel that may be convened by the Chief Compliance Officer, pursuant to Rule704, to review an investigation report submitted by the Compliance Department to determine whether (a) a reasonable basis exists to believe that a violation of the Rules has occurred, and (b) commencing disciplinary proceedings in respect of such potential violation is warranted.

"**Rule**" means any rule adopted or amended, from time to time, by the Company related to or in respect of transactions in Swaps or the operation of or business conducted on the Trading Platform or otherwise pursuant to these Rules.

"**Secretary**" means the individual appointed by the Board from time to time to serve as secretary of the Company.

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

"**Sponsored Access Firm**" means a third party (other than an individual or an ISV) that is authorized by a Participant to access the Trading Platform pursuant to Rule 304.

"**Swap**" has the meaning given that term in the CEA and CFTC Regulations (after giving effect to the Determination of Foreign Exchange Swaps and Foreign Exchange Forwards Under the Commodity Exchange Act by the Secretary of the Treasury pursuant to Section 1b of the CEA) and, as used herein, refers solely to Swaps effected pursuant to the Rules.

"**Swap Data Repository**" has the meaning given that term in section 1a(48) of the CEA and CFTC Regulation 1.3(qqqq).

"**Trader ID**" means the unique identifier that is assigned by the Company to each Registered Trader and to each automated trading system employed by a Participant or Sponsored Access Firm and, in the case of such an automated trading system, linked to the Trader ID that is assigned to a single Registered Trader or to an identified group of Registered Traders.

"**Trader Information**" has the meaning ascribed to it in Rule 407(b).

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

"**Trading Platform**" means the electronic and other systems administered by or on behalf of the Company for the trading of Swaps.

"**Trading Privileges**" means the right, granted to a Participant, such Participant's Sponsored Access Firms and Registered Traders, to access the Trading Platform or to effect Block Trades pursuant to the Rules.

"Uncleared Swap" means a Swap other than a Cleared Swap.

CHAPTER 2
GOVERNANCE

201. Board

(a) Unless otherwise specified by the Board, all Rules and amendments thereto from time to time adopted by the Board will become effective on such date (after any required filing with, or approval thereof by, the CFTC) as may be determined by the Board.

(b) The Board will determine which Swaps are available from time to time for trading subject to the Rules, and will approve Rules containing specifications for such Swaps; provided that the Board may delegate the authority to approve such rules to a Company committee or to one or more officers of the Company; provided, further, that certifications or applications with respect to such rules will be submitted to the CFTC as required by Applicable Law and any regulations thereunder.

(c) At least 35%, but no fewer than two, of the 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.

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

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

(ii) such Director is or was a Participant or Sponsored Access Firm, or a director, officer or employee of a Participant or Sponsored Access Firm.

(iii) Any of the relationships set forth in paragraphs (i) and (ii) apply to the "immediate family" (i.e., the spouse, parents, children, and siblings, in each case, whether by blood, marriage, or adoption) of such Director, or any person residing in the home of the Director or that of his or her "immediate family."

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

(f) The Board shall have procedures, as may be further set forth in policies that the Company 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 Company.

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

202. Officers

(a) The Board shall appoint a Chief Executive Officer, a Chief Compliance Officer, and such other officers of the Company (each, an "Officer") as it may deem necessary or appropriate from time to time, in accordance with the Operating Agreement.

(b) Any Officer may also be a director, officer, partner or employee of the Company or 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 the Operating Agreement.

203. Eligibility

(a) No Person may serve as a Director, Officer or member of a Review Panel, Disciplinary Panel or Appeal Panel if the Person:

(i) was found within the past three years by a final decision of a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction or the CFTC to have committed a disciplinary offense;

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

(iii) is currently suspended from trading on any trading market, is suspended or expelled from membership with any Self-Regulatory Organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:

(A) a finding by a final decision of a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction or the CFTC that such person committed a disciplinary offense; or

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

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

(v) is currently subject to or has had imposed on him or her within the past three years a CFTC registration revocation or suspension in any capacity for any reason, or has been convicted of any of the felonies listed in section 8a(2)(D)(ii) through (iv) of the CEA; or

(vi) 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.

(b) Upon the occurrence of an event listed in Rule 203(a) with respect to a member of the Board, Review Panel, Disciplinary Panel or Appeal Panel, such member shall disclose the occurrence of such event to the Chief Compliance Officer or his or her designee.

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

204. Confidentiality

(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) No officer, employee or agent of the Company will (i) trade in any financial instrument 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 (ii) 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 financial instrument.

205. Conflicts of Interest

(a) *Named Party in Interest Conflict.*

(i) *Prohibition*. No member of the Board, any Review Panel, Disciplinary Panel or Appeal Panel will knowingly participate in such body's deliberations or voting in any matter involving a named party in interest where such member (A) is a named party in interest, (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, or (D) has a family relationship with a named party in interest. For purposes of this clause (i), a "family relationship" exists between a named party in interest and a member if such party is the member's spouse, former spouse, parent, stepparent, child, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.

(ii) *Disclosure*. 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 Compliance Officer whether such member has one of the relationships listed in clause (i) above with a named party in interest.

(iii) *Procedure and Determination*. The Chief Compliance 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 paragraph (a). Such determination will be based upon a review of the following information provided by such member pursuant to clause (ii) above and, where deemed by the Chief Compliance Officer, other information that is known to the Company.

(b) *Financial Interest in a Significant Action Conflict.*

(i) *Prohibition*. No member of the Board, any Review Panel, Disciplinary Panel or Appeal Panel 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) *Disclosure*. 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 Compliance 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) *Procedure and Determination*. The Chief Compliance 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 paragraph (b). 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 Company;

(B) information provided by such member pursuant to clause (ii) above; and

(C) any other information reasonably available to the Company, taking into consideration the exigency of the significant action being contemplated.

(iv) *Deliberation Exemption*. Any member of the Board, any Review Panel, Disciplinary Panel or Appeal Panel of the Company 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) *Documentation.* The minutes of any meeting to which the conflicts determination procedures set forth in this Rule 205 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.

206. Committees

(a) The committees provided for in this Chapter shall be appointed as provided in the Operating Agreement or as set out in this Chapter. Except as otherwise required by rules in this Chapter, the Chairman shall designate the chairman and one or more vice chairmen of each such committee. A temporary member of any such committee may be appointed, using the same process required for regular appointments to the committee, during the absence or inability to act of a regular member; such temporary appointee shall have all the rights, power, authority, duties and obligations of the regular committeeman until the latter is again present and able to act.

(b) The Company shall have a Regulatory Oversight Committee which shall consist entirely of Public Directors and shall be responsible for reporting to the Board. In general, the Regulatory Oversight Committee shall assist the Board in monitoring the design, implementation and effectiveness of the Company's programs to promote and enforce compliance with Applicable Law and the rules. More specifically, the Regulatory Oversight Committee shall:

(i) Monitor the sufficiency, effectiveness and independence of the Company's regulatory program; and

(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 ensuring 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) reviewing the performance of the Chief Compliance Officer, who will report directly to the Regulatory Oversight Committee, and making recommendations with respect to such performance to the Board;

(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.

(c) The Company shall have a Nominating Committee which shall consist of a majority of Public Directors and shall be responsible for reporting to the Board. The Nominating Committee shall (i) annually nominate directors for the class of directors standing for election at the annual meeting of the Company for that year; and (ii) periodically review the organization and governance structure of the Company, and make such recommendations to the Board with respect thereto as it may deem appropriate.

(d) The Company shall have a Participation Committee (the "Participation Committee") which shall consist of not less than thirty-five percent of Public Directors and shall be responsible for reporting to the Board. The Participation Committee shall:

(i) determine the eligibility standards and requirements for initial and continuing Participant status;

(ii) approve rules that would result in different categories or classes of Participants receiving access to the Company; and

(iii) review appeals of staff denials of Participant applications.

In reviewing appeals of staff denials of Participant applications, the Participation Committee shall not uphold any staff denial if the relevant application meets the standards and requirements prescribed by such Committee. The Participation Committee shall not, and shall not permit the Company to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly situated categories or classes of Participants.

(e) One-half of the members, including the ex officio members, shall constitute a quorum of each committee provided for in this Chapter, except for the Regulatory Oversight Committee. For the Regulatory Oversight Committee, a quorum for the transaction of business shall consist of one-half of the committee members, including not less than 50 percent of the Public Directors serving as members of such committee. If at least 50 percent of the Public Directors committee members (i) are present at or (ii) have filed a waiver of attendance for a meeting after receiving an agenda prior to such meeting, the requirement that not less than 50 percent of the Public Directors committee members be present to constitute the quorum shall be deemed satisfied.

(f) Should Applicable Law establishing minimum thresholds relating to the number or percentage of Public Directors that must serve on the Board or any committee pursuant to this Rule 206 be amended, this Rule shall be deemed amended to comply with such Applicable Law without any further action of the Company to the extent permissible by law.

207. Chief Compliance Officer

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

(b) The Chief Compliance Officer shall have available at all times the resources of the Compliance Department and such other Company resources as may be necessary to conduct investigations of alleged Rule violations and market conditions.

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

(d) The Chief Compliance Officer shall have the authority to inspect the books and records of all Participants and Sponsored Access Firms and the authority to require any Participant, Sponsored Access Firm or Registered Trader 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 Compliance Officer may also delegate such authority to the Compliance Department.

(e) The Chief Compliance Officer shall resolve any conflict of interest pursuant to Rule 205 in consultation with the Regulatory Oversight Committee.

208. Maintenance of Books and Records by the Company

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

(b) The Company 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.

CHAPTER 3
TRADING PLATFORM

301. Access to the Trading Platform

(a) Each Participant will have the right to access the Trading Platform, including the right to place Orders for each of its proprietary accounts and, if otherwise registered in any required capacity and authorized to act on behalf of Customers in accordance with Applicable Law, for the accounts of such Customers. The access rights of a Participant hereunder may not transferred, assigned, sold or leased. A Participant will not be a limited liability company member of the Company and will not obtain any equity or other interest in the Company, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger or consolidation involving the Company or otherwise.

(b) A Participant shall designate at least one of its employees as a Registered Trader and may designate other employees, agents and authorized contractors who are individuals as Registered Traders pursuant to Rule 305. Registered Traders may access and use the Trading Platform on behalf of such Participant and, to the extent permitted by Applicable Law, on behalf of such Participant's Customers or the Customers of Sponsored Access Firms.

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

(d) A Participant may be held accountable by the Company for the actions and omissions of its Sponsored Access Firms and its and their Registered Traders.

302. Qualifications of Participants

(a) To be eligible for admission as a Participant, an applicant must:

(i) deliver an executed Participant Agreement in which it affirms that it is an Eligible Contract Participant;

(ii) hold all registrations required under Applicable Law;

(iii) be authorized by a Derivatives Clearing Organization to clear its transactions in Swaps or have an arrangement with a Clearing Firm of a Derivatives Clearing Organization that meets the requirements of Rule 1001;

(iv) be in compliance with any financial responsibility, recordkeeping and reporting requirements set forth under Applicable Law and Rule 403;

(v) agree to abide by the Rules and consent to the Company's jurisdiction; and

(vi) satisfy such other criteria that the Company may require.

(b) The Company may permit a Person to become a Participant subject to such conditions, restrictions or limitations that it deems necessary or appropriate. The Company may deny the application of a Person to be a Participant if such Person is unable satisfactorily to demonstrate a capacity to adhere to Applicable Law or the Rules or for such other cause as the Company reasonably may determine.

(c) The Company may revoke, suspend or limit a Participant's or Sponsored Access Firm's access to the Trading Platform if such Participant or Sponsored Access Firm:

(i) fails to meet any of the qualification requirements for access after such access has been approved;

(ii) fails to meet any condition placed by the Company on such access; or

(iii) violates any Applicable Law, the Rules or any agreement between the Participant and the Company.

(d) The Company may create different classes of Participants that have different rights and obligations under the Rules pursuant to criteria that are impartial, transparent and applied in a fair and non-discriminatory manner.

(e) A Person whose application for Participant status has been denied or granted conditionally pursuant to this Rule 302, and any Participant or Sponsored Access Firm of a Participant whose access to the Trading Platform is revoked, suspended or limited pursuant to this Rule 302, may appeal the Company's decision in accordance with the provisions of Chapter 7. A determination of the Company to revoke, suspend or limit a Person's access to the Trading Platform pursuant to this Rule 302 shall not take effect until the review procedures under Chapter 7 have been exhausted or the time for review has expired.

303. Application

Each Person that applies to become a Participant must submit an application to the Company in a form and manner prescribed by the Company. Each applicant must promptly update any application materials previously provided to the Company if any of the information provided therein becomes inaccurate or incomplete after the date of submission and prior to any approval of the application.

304. Sponsored Access Firms

(a) A Participant may grant permission to one or more Sponsored Access Firms to enter Orders, issue and respond to Requests for Quotes, access the Trading Platform and effect transactions in Swaps in accordance with the criteria and procedures established by the Company.

(b) By agreeing to act as a Sponsored Access Firm, such Person agrees to be bound by the duties and responsibilities of a Sponsored Access Firm, to be subject to, and comply with, the Rules, and to be deemed to have represented and warranted to the Company that it is an Eligible Contract Participant and that it has all registrations, licenses and consents required by its constituent documents and by Applicable Law to trade Swaps.

(c) A Sponsored Access Firm must at all times:

(i) agree to abide by the Rules and consent to the Company's jurisdiction;

(ii) effect transactions pursuant to the Rules, and permit its Registered Traders to effect transactions pursuant to the Rules, solely from within the United States or, except as may be expressly permitted by the Company in writing from time to time, a jurisdiction in which the Company is permitted by Applicable Law to offer trading on the Company;

(iii) ensure that activity conducted under the Trader IDs assigned to it and its Registered Traders complies with the Rules;

(iv) have the authority, at the Company's request, to adjust or withdraw any Order submitted under such Trader IDs;

(v) have and maintain all necessary regulatory approvals and/or licenses to operate as a Sponsored Access Firm and not be subject to any trading ban, prohibition or suspension issued by the CFTC or the NFA; and

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

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

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

(e) A Participant that seeks to terminate the designation of a Sponsored Access Firm shall notify the Company in writing, providing such information as the Company may require. The Company shall terminate the Trading Privileges of such Sponsored Access Firm and its Registered Traders in accordance with procedures established by the Company.

(f) A Clearing Firm that is not also a Participant or a Registered Trader shall appoint at least one of its employees to act as a Sponsored Access Firm, provided that such Sponsored Access Firm shall not have Trading Privileges and such Sponsored Access Firm's access and use of the Trading Platform shall be restricted to administrative and credit control functionalities.

305. Registered Traders

(a) Each Participant and each Sponsored Access Firm shall designate one or more Registered Traders.

(b) Each Registered Trader must consent, in a form satisfactory to the Company, to abide by the Rules and Applicable Law prior to accessing the Company. Each Registered Trader must satisfy such requirements as may be prescribed by the Company from time to time and shall be subject to the disciplinary authority of the Company and possible fine or restriction or revocation of Trading Privileges.

(c) To designate a Registered Trader, a Participant must follow the procedures established by the Company. The Company may establish fair and reasonable criteria that individuals must fulfill to become a Registered Trader. Without limiting the generality of the foregoing, each Participant will ensure on an ongoing basis that (i) none of its Registered Traders 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 Registered Traders is technically proficient and conducts its business in a fair and equitable manner.

(d) The Company will promptly notify a Participant and, as applicable, a Sponsored Access Firm in writing of the approval of Registered Trader(s) or if the Company declines to approve the nomination of a Registered Trader.

(e) The Company will maintain a list of all designated Registered Traders for each Participant, and as applicable, each Sponsored Access Firm.

(f) The Company may, in its sole discretion revoke or suspend the designation of a Registered Trader and shall promptly notify the Participant and, as applicable, the Sponsored Access Firm of such action.

(g) To request the termination of the designation of an individual as a Registered Trader, the Participant must follow the procedures established by the Company. The Company may, in its sole discretion, postpone the effective date of the termination of registration if the Company considers it necessary for the protection of the Participant or in the Company's best interest. Based on the information provided to, and

other information gathered by, the Company regarding the request to terminate the registration of a Sponsored Access Firm, the Company will determine whether to: (i) postpone the effective date of termination of the registration, and/or (ii) impose any terms or conditions before or after the effective date of termination of the registration. The Participant shall take and, where applicable, shall cause its Sponsored Access Firm to take, immediate measures appropriate to ensure that such Registered Trader shall not have access to the Company or utilize its Trader ID, as applicable, after the effective date of any such revocation. The Company shall act promptly, but in any event within one Business Day of the effective date of such revocation, to disallow Order entry by the affected Registered Trader.

306. Independent Software Vendors

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

307. Required Notices

(a) Each Participant, Sponsored Access Firm and ISV shall immediately notify the Company upon becoming aware of any of the following events:

(i) any material changes to the information provided to the Company by such Person;

(ii) any damage to, or failure or material inadequacy of, the systems, facilities or equipment of the Participant or Sponsored Access Firm used to effect transactions on the Trading Platform;

(iii) any refusal of admission to, or withdrawal of any application for membership in, any Self-Regulatory Organization;

(iv) any expulsion, suspension or fine in excess of $100,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed by any Self-Regulatory Organization;

(v) 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 agency;

(vi) the commencement of any judicial or administrative proceeding by a governmental agency 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 agency;

(vii) the indictment or conviction of, or any confession of guilt or plea of guilty or *nolo contendere* by, the Participant, Sponsored Access Firm or ISV 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

(viii) the Insolvency of the Participant, Sponsored Access Firm or ISV, any of its Affiliates and, in the case of a Participant or Sponsored Access Firm that is also a Clearing Firm, the insolvency of any of its Customers that are Participants.

(b) Each Participant, Sponsored Access Firm or ISV that is not a natural person shall notify the Company at least ten Business Days prior to any merger, acquisition, consolidation, combination, sale or other material change of ownership.

308. Dues, Assessments and Fees

(a) The Company has the sole power to set the dates and amounts of any dues, assessments or fees to be levied on Participants, which dues, assessments or fees will be paid to the Company when due. The Company shall charge comparable fees to Persons that receive comparable access to the Trading Platform.

(b) If a Participant fails to pay when due any Company dues, assessments or fees levied on such Participant, and any such payment obligation remains unsatisfied for thirty days after its due date, the Company may suspend, revoke, limit, condition, restrict or qualify the Participant's access to the Company as the Company deems necessary or appropriate.

309. Trading Privileges

(a) Subject to the requirements and procedures set forth in this Chapter 3, Trading Privileges shall be offered to Participants, subject to any limitation, restriction or revocation from time to time imposed by the Company. Trading Privileges are non-transferable, non-assignable and may not be sold or leased. By virtue of obtaining Trading Privileges, a Participant shall not obtain any equity or other interest in the Company, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger, consolidation involving the Company or otherwise.

(b) The Company may deny Trading Privileges to any Person:

(i) if such Person is unable satisfactorily to demonstrate a capacity to adhere to the Rules and Applicable Law;

(ii) if such Person would bring the Company into disrepute, as determined by the Company in its sole discretion; or

(iii) for such other cause as the Company reasonably may decide.

(c) The Company may determine not to permit any Person to keep its Trading Privileges, or may condition such Trading Privileges if such Person:

(i) fails to meet any of the qualification requirements for Trading Privileges after such Trading Privileges have been approved;

(ii) fails to meet any condition placed by the Company on such Trading Privileges; or

(iii) violates any agreement with the Company, a Clearing Firm or a Derivatives Clearing Organization; or

(iv) is a Participant through which a Customer trades and, in any such case, any such Customer maintains a position in any Swap that, when considered in light of the other positions maintained by the Participant through which such Customer trades and any other factors that the Company reasonably deems relevant, including, as applicable, (A) the positions maintained by such Participant, such Participant's Registered Traders and such Participant's other Customers, (B) financial information provided by such Participant; and (C) the level of margin maintained by such Participant at such Participant's Clearing Firm, the Company reasonably believes could jeopardize the financial safety of such Participant or any of such Participant's other Customers.

(v) For the avoidance of doubt, any limitation, suspension or revocation of Trading Privileges pursuant to paragraph (iv) may, in the sole discretion of the Company, (A) take the form of (x) a full suspension or revocation of Trading Privileges, (y) a requirement that the positions at issue be immediately liquidated in full or reduced to a reasonable level to be set by the Company as a condition to the Trading Privileges remaining in effect or (z) a prohibition on the use of such Trading Privileges in respect of the trades of any Customer identified by the Company, and (B) be applied to the Trading Privileges of the Participant at issue, its Registered Traders and Sponsored Access Firms, in each case, as deemed reasonably necessary by the Company for the protection of such Persons and other Participants of the Company.

(d) In the case of any suspension, revocation or limitation of the Trading Privileges of any Participant pursuant to this Rule 306 or Rule 307, the Company, in its sole discretion, may also suspend, revoke or limit the Trading Privileges of such Participant's Registered Traders and Sponsored Access Firms as the Company deems necessary to protect other Participants, Customers and the integrity of the Company.

(e) In the case of any suspension, revocation or limitation of the Trading Privileges of any Registered Trader or Sponsored Access Firm of any Participant pursuant to this Rule 306 or Rule 307, the Company, in its sole discretion, may also suspend, revoke or limit the Trading Privileges of such Participant or such Participant's other Registered Traders or Sponsored Access Firms as the Company deems necessary to protect other Participants and the integrity of the Company.

310. Limitations

Upon notice that a Clearing Firm has revoked any authorization granted and guarantee made by it to a Participant pursuant to Rule 1003(b), the right of such Participant, its Sponsored Access Firms and Registered Traders to access the Company will be automatically terminated, and such Participant must obtain another guarantee from a Clearing Firm before the Participant's right to access to the Company will be reinstated.

311. Application of Rules and Jurisdiction

(a) Any Person initiating or executing a transaction pursuant to the Rules, directly or through a Participant or Sponsored Access Firm, expressly consents to the jurisdiction of the Company and agrees to be bound by and comply with the Rules in relation to such transactions, including, but not limited to, Rules relating to investigatory and disciplinary processes.

(b) Any Participant, Sponsored Access Firm or Registered Trader whose right to access the Company is revoked or terminated, whether pursuant to Rule 302, Rule 306 or Chapter 7, will remain bound by the Rules and Applicable Law, in each case to the extent applicable, and subject to the jurisdiction of the Company with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant, Sponsored Access Firm or Registered Trader prior to such revocation or termination.

312. Notices

The Company will publish a notice with respect to each addition to, modification of, or clarification of the Rules at the time the Company files such Rules with the CFTC. The Company also will publish notice of any action taken to implement any Rule of the Company, in a form and manner that is reasonably designed to enable each Participant and Sponsored Access Firm 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 except where such action is being in connection with an Emergency. For purposes of publication in accordance with the first sentence of this Rule 312, it will be sufficient (without limiting the discretion of the Company as to any other reasonable means of communication) if notice is published on the Company's website.

313. Withdrawal of Participant

(a) To withdraw from the Company, a Participant must notify the Company, following such procedures as may be established by the Company.

(b) The Company may, in its reasonable discretion, refuse to accept a Participant's withdrawal request or may postpone the effective date of withdrawal of a Participant if the Company considers it necessary for the protection of other Participants or otherwise in the interests of the Company.

(c) Based on the information provided to, and other information gathered by, the Company regarding a Participant's withdrawal request, the Company will determine whether to (i) accept the withdrawal request; (ii) postpone the effective date of the withdrawal; or (iii) impose any terms or conditions before or after the effective date of withdrawal.

(d) If the Company refuses to accept a Participant's withdrawal request or postpones the effective date of withdrawal of a Participant, the Company may waive the obligation to pay some or all of the fees, costs and charges that the Company would have imposed during the period after the date on which the requested withdrawal would have otherwise taken effect.

(e) When the Company accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including the Trading Privileges and ability to access the Company). The accepted withdrawal of a Participant shall not affect the rights of the Company under the Rules or relieve the former Participant of its Obligations (including any contractual obligations relating to any Swaps entered into by such Participant, or the payment of any Company fees, costs, or charges incurred prior to such withdrawal). Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the jurisdiction of the Company for acts done and omissions made while a Participant, and must cooperate in any disciplinary proceeding under Chapter 7 as if such withdrawal had not taken place.

CHAPTER 4
BUSINESS CONDUCT

401. Duties and Responsibilities of Participants

(a) Each Participant shall, and shall cause its Sponsored Access Firms to:

(i) use the Trading Platform and effect transactions in Swaps in a responsible manner and not for any improper purpose;

(ii) use the Trading Platform only to conduct business that is subject to the Rules and in a manner consistent with the Rules and Company Requirements;

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

(iv) comply with the rules of the Derivatives Clearing Organization that accepts for clearing a Cleared Swap traded by such Person, to the extent applicable to such Person and such Cleared Swap;

(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 Company;

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

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

(viii) comply with any Order issued by the Company;

(ix) keep all Trader IDs, account numbers and passwords related to the Trading Platform confidential; and

(x) keep, or cause to be kept, complete and accurate books and records, including but not limited to records of their trading in Swaps, in the instruments underlying any such Swaps or in any instrument or index used as a reference price for a Swap, or in any related derivatives markets, for at least five years, and make such books and records available for inspection by a representative of the Company, the Regulatory Services Provider, the CFTC or the U.S. Department of Justice.

(b) In addition to the requirements of Rule 401(a), 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 Company by or for the

account of such Participant, its Sponsored Access Firms or by any Person using its or their Trader IDs.

(c) Each Participant or Sponsored Access Firm that is registered, or required to be registered, with the CFTC as a swap dealer or a major swap participant is responsible for compliance with the mandatory trading requirement of Section 2(h)(8) of the CEA when such Participant or Sponsored Access Firm enters into a Swap that is made available to trade within the meaning of Section 2(h)(8) of the CEA.

402. Inspections by the Company

The Company may require a Participant or Sponsored Access Firm to furnish such information concerning the Participant or Sponsored Access Firm's business that is subject to the Rules and Company Requirements as the Company deems necessary to enable the Company to perform its obligations under Applicable Law, including information relating to (i) Swaps executed pursuant to the Rules and in related derivatives markets, including in the products underlying those Swaps, and (ii) information requested by a Regulatory Authority relating to the Company's business as a swap execution facility and/or the Company's compliance with Applicable Law that the Company believes is maintained by, or otherwise in the possession of, a Participant or Sponsored Access Firm.

403. Minimum Financial and Related Reporting Requirements

(a) Each FCM Participant and each IB Participant shall comply with the provisions of CFTC Regulation 1.17.

(b) Each FCM Participant and each IB Participant shall provide to the Company and to the Regulatory Services Provider, if any, a copy of such FCM Participant's Form 1-FR or FOCUS Report, reasonably contemporaneously with, and substantially in the form such report is filed with a Regulatory Authority. A Participant that is not subject to such filing requirements shall provide the Company with such financial information as the Company may require from time to time.

(c) Each Participant must notify the Company immediately upon becoming aware that it fails to satisfy the minimum financial requirements applicable to it. A Participant that is unable to demonstrate to the Company that it is in compliance with the minimum financial requirements shall not engage in transactions subject to the Rules except for the purpose of closing open positions.

404. Restrictions on Activity

If the Company determines that the financial or operational condition of a Participant or one of its Affiliates is such that to allow that Participant to continue to have access to the Company would adversely affect the Company or the financial markets (including but not limited to such Participant being subject to the notification requirements of CFTC Regulation 1.12 or similar requirements of another Regulatory Authority to which such Participant is subject), the Company may limit or restrict the

number or type of Swaps that may be traded by such Participant pursuant to the Rules or terminate the Participant's Trading Privileges.

405. CFTC Registration

No Participant may solicit or accept from any other Person an Order for the purchase or sale of a Swap unless such Participant is registered with or exempt from registration with the CFTC as a futures commission merchant or as an introducing broker, as applicable.

406. Confirmations

The Company shall provide each counterparty to a Swap with a written record of all of the terms of the Swap which shall legally supersede any previous agreement between the parties thereto (to the extent that it is inconsistent with such agreement) and which shall serve as a confirmation of the Swap. A Swap that is effected as a Block Trade shall be confirmed by the Company promptly after it is reported to the Company pursuant to Rule 601.

407. System Security

(a) Each Participant must at all times have at least one employee or agent (the "**Responsible Person**") designated as its administrator with respect to the use of the Trading Platform by such Participant (including its Sponsored Access Firms). The Company may prescribe such qualification standards for Responsible Persons as it may from time to time determine necessary or advisable. Among other things, each Responsible Person shall (i) control access to the Trading Platform by the Participant (including its Sponsored Access Firms) and (ii) be able to access, directly or through the Company and, if required, modify and withdraw, any and all Orders placed, or purported to be placed, by such Participant (including its Sponsored Access Firms). The Responsible Person or Responsible Persons of any Participant will also be solely responsible for any and all communications between the Company and such Participant, and any and all notices or other communications sent to such Responsible Person or Responsible Persons by the Company will be binding on such Participant. Each Participant must notify the Company promptly of any change regarding any of its Responsible Persons.

(b) Each Participant shall be responsible for controlling and monitoring the use of all user identification codes and passwords to access the Trading Platform (collectively, "**Trader Information**") issued to its Responsible Person or Responsible Persons by the Company, may provide the Trader Information only to its Sponsored Access Firms, and must notify the Company promptly upon becoming aware of any unauthorized disclosure or use of the Trader Information or access to the Company or of any other reason for deactivating Trader Information. Each Participant shall be bound by any actions taken through the use of its Trader Information (other than any such actions resulting from the fault or negligence of the Company), including the execution of transactions, whether or not such actions were authorized by such Participant or any of its directors, officers or employees.

(c) Each Participant shall be responsible for ensuring that Participant and its Sponsored Access Firms do not grant access to the Trading Platform to any Person located outside the United States except as otherwise expressly permitted by the Company. To the extent necessary to ensure the operational integrity of the Trading Platform, the Company may at any time restrict or limit the access of Persons to specified locations, and each Participant must ensure prompt compliance by itself and its Sponsored Access Firms with any such limitation.

408. Information Regarding Orders

(a) The Company 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 Trading Platform, the Company's website, market data providers or otherwise) as it may consider necessary or advisable from time to time.

(b) Each Participant or other Person receiving any such information through the Trading Platform shall not redistribute such information other than to the extent and in the manner as may be expressly permitted by the Company in writing from time to time.

409. Publication of Trade Information

The Company shall publish information on its website daily regarding volume, price ranges, open interest and settlement prices (based on non-cancelled bids, non-cancelled offers, and sales) subject to such prices accurately reflecting market conditions within the discretion of the Company. The Company shall also publish on its website on a daily basis the total quantity of Block Trades that are included in the total volume of trading. Information on settlement prices and open interest shall be provided, as applicable, by the relevant Derivatives Clearing Organization.

CHAPTER 5
TRADING PRACTICES

501. Scope

This Chapter 5 applies to all transactions in Swaps, except as otherwise specifically provided in Rule 601.

502. Trading Hours

The Company shall from time to time determine the Business Days during any particular calendar year and the Trading Hours in respect of each Swap.

503. Procedures

With respect to trading on or though the Trading Platform, the Company may adopt, without limitation, procedures relating to transactions in Swaps and trading on the Trading Platform, including procedures to:

(a) disseminate the prices of bids and offers and the prices of trades in Swaps;

(b) record and account for Swaps;

(c) perform market surveillance and regulation on matters affecting Swaps;

(d) establish limits on the number and/or size of Orders that may be submitted by a Participant or Sponsored Access Firm or Registered Trader through the Trading Platform;

(e) establish limits on the number of Swaps that may be traded by a Participant or Customer through the Trading Platform;

(f) establish limits on the maximum daily price fluctuations for Swaps and provide for any related restriction or suspension of trading in such Swaps;

(g) establish limits on how frequently a Participant or Sponsored Access Firm may refresh its bid or offer; and

(h) establish a minimum tick increment.

504. Use of Trader IDs

(a) Each Registered Trader and each automated trading system employed by a Participant or Sponsored Access Firm must have a Trader ID. Each Participant shall be responsible for controlling and monitoring the use of Trader IDs issued to Registered Traders.

(b) Each Order entered into the Trading Platform must contain a Trader ID that identifies the Registered Trader that entered the Order. Each Participant must specify,

and must ensure that its Sponsored Access Firms and Registered Traders specify, the applicable Trader ID for every Order.

(c) No Person may use a Trader ID to place any Order except as permitted by these Rules, nor may any Person knowingly permit or assist the unauthorized use of a Trader ID. Each Participant and Sponsored Access Firm, on behalf of itself and each of its Registered Traders shall ensure that no Trader ID is used by any Person not authorized by these Rules. Each Participant and Registered Trader must have in place policies and procedures acceptable to the Company to ensure the proper use and protection of Trader IDs.

(d) Each Participant and Sponsored Access Firm shall ensure the accuracy of the registration information of its Registered Traders at all times.

(e) Each Participant shall notify the Company promptly upon becoming aware of:

(i) any unauthorized disclosure or use of any Trader ID assigned to it or any of its Registered Traders and of any other reason for deactivating a Trader ID; and

(ii) any unauthorized access to the Trading Platform by any Person using a Trader ID assigned to such Participant, its Registered Traders and Sponsored Access Firms.

(f) Each Participant and Sponsored Access Firm shall be bound by any actions taken through the use of a Trader ID assigned to such Person's Registered Traders (other than any such actions resulting from the fault or negligence of the Company), including the submission of Orders and/or execution of transactions, whether or not such actions were taken or authorized by such Participant, Sponsored Access Firm or Registered Trader, as the case may be.

505. Orders

(a) As applicable, Orders may be entered electronically or, as agreed in advance with an employee of the Company, submitted by telephone, email, instant message or through such other medium as may be agreed from time to time.

(b) Depending on the method by which an Order is submitted, an Order may contain one or more of the following designations:

(i) *Limit Orders* – Limit Orders are Orders to buy or sell a stated quantity at a specified price, or at a better price, if obtainable. Unless otherwise specified, any residual volume from an incomplete limit Order that is not withdrawn or executed is retained in the Order Book until the end of the day. All Limit Orders are removed from the Order Book at the end of the trading session.

(ii) *All or None (AON)* – A Limit Order where only the entire submitted size is available for execution.

(iii) *Time-in-Force (TiF) Orders* – Limit Orders that will be held within a specified time frame.

(iv) *Hidden (Reserve) Size* – Limit Orders that are comprised of two components: a displayed size, which is a conventional Limit Order and a hidden (reserve) size, which is submitted as a new Limit Order when the initial, displayed Order is fully executed.

(v) *One Cancels Other (OCO)* A Limit Order that is linked to one or more other Orders by the Participant, Sponsored Access Firm or Participant, with the linked Order being cancelled when any other Order in the same OCO group is fully or partially executed.

(vi) *Work the Balance* – An Order submitted via hit/lift dialogue that directly aggresses an existing standing Order and any remaining size is placed as a standing Limit Order.

(vii) *Fill and Kill* – An Order submitted via hit/lift dialogue that directly aggresses an existing standing Order and any remaining size is cancelled.

(viii) *Fill or Kill* – An Order submitted via hit/lift dialogue that directly aggresses an existing standing Order. If the full size of the submitted Order is not met, the Order is cancelled.

(ix) *Contingent Orders* - An instruction to submit an Order to, or cancel an existing Order in, the Order Book if the price of a given Swap or other financial instrument is the same as, or is greater or less than, the price specified in the Contingent Order.

(x) *SmartRoute*^{SM} - An order type for instruments that may be cleared at more than one Derivatives Clearing Organization. Selection of this order type requires that a trader has previously ranked his preferred hierarchy of Derivatives Clearing Organizations at which he would prefer to submit his transactions. This order type instructs the Trading Platform to rank offsetting bids or offers based on time/price priority and also takes into account the trader's pre-ranked hierarchy of Derivatives Clearing Organizations. Thereafter, a SmartRoute^{SM} order will be executed against bids or offers in ascending order based on this ranking. If no corresponding bid or offer is present at a Derivatives Clearing Organization ranked by the Trader, no transaction will occur.

506. Order Entry

(a) Each Participant, Sponsored Access Firm or Registered Trader that submits an Order into the Trading Platform shall do so using its Trader ID and shall include with each Order the price, quantity, product, expiration date, CTI code, Clearing

Firm, Derivatives Clearing Organization (if applicable), Order type, buy or sell, account designation, and such Required Swap Creation Data as is known by the Participant, Sponsored Access Firm or Registered Trader at the time it submits the Order.

(b) Audit Trail Requirements.

(i) Participants that provide connectivity to the Trading Platform are responsible for maintaining or causing to be maintained a routing/front-end audit trail ("Audit Trail") for all electronic Orders, which shall include Order entry, modification, cancellation and responses to such messages. Audit Trail information shall be entered into the Trading Platform through any gateway to the Trading Platform, including the times of each message to the highest level of precision achievable by the Participant's operating system, but at least to the hundredth of a second. Times that are so captured must not be capable of being modified by the Person entering the Order. Audit Trail data must contain, in addition to the information required by paragraph (a), all required FIX Tag information and fields including, as applicable, a record of all fields relating to Order entry, including transaction date, product, Exchange code, expiration, quantity, Order type, price, buy/sell indicator, stop/trigger price, Order number, unique swap identifier, legal entity identifier, Trader ID, Clearing Firm, account designation, CTI code and timestamps. For executed Orders, the Audit Trail must record the execution time of the trade along with all fill information.

(ii) 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.

(iii) A Participant whose Customer is itself a Participant may agree with such Customer that it is the Customer's obligation to maintain the Audit Trail for such Customer's Orders. Any such agreement shall be in writing, and a copy of such agreement shall be provided to the Exchange.

(c) In addition to the requirements set forth in paragraphs (a) and (b), each Participant, Sponsored Access Firm and Registered Trader that submits an Order to buy or sell a Swap shall include with each such Order the following information (to the extent such information is not provided by the Trading Platform):

(i) the legal entity identifier of the Participant or Sponsored Access Firm placing the Order;

(ii) a yes/no indication of whether the Participant or Sponsored Access Firm is a swap dealer with respect to the Swap for which the Order is placed;

(iii) a yes/no indication of whether the Participant or Sponsored Access Firm is a major swap participant with respect to the Swap for which the Order is placed;

(iv) a yes/no indication of whether the Participant or Sponsored Access Firm is a financial entity;

(v) a yes/no indication of whether the Participant or Sponsored Access Firm is a U.S. person; and

(vi) if the Swap will be allocated:

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

(B) the legal entity identifier of the agent;

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

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

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

(d) *Customer Type Indicator (CTI) Codes.*

Each Participant must include the correct CTI code with each transaction executed or submitted for execution on the Trading Platform to the extent not already reflected by the Trading Platform. The CTI codes are as follows:

(i) CTI 1 – Transactions initiated and executed by an individual Participant for his own account, for an account he controls or for an account in which he has an ownership or financial interest.

(ii) CTI 2 – Transactions executed for the proprietary account of a Clearing Firm or a Participant that is not an individual.

(iii) CTI 3 – Transactions in which a Participant or Sponsored Access Firm or Registered Trader executes (a) for the personal account of another Participant, (b) for an account the other Participant controls, or (c) for an account in which the other Participant has an ownership or financial interest.

(iv) CTI 4 – Any transaction not meeting the definition of CTI 1, 2 or 3.

(e) A suspense account may be used at the time of Order entry provided that a contemporaneous electronic or written record of the Order with the account designation is made, time-stamped and maintained in accordance with this Rule 506, and provided that the correct account designation is provided to the Clearing Firm prior to the end of the

trading day. A suspense account may also be used at the time of Order entry for bunched Orders that are eligible for post-trade allocation and that are executed and allocated in accordance with CFTC Regulation 1.35(b)(5).

507. Matching of Orders

(a) Except as otherwise provided in these Rules, Orders entered for electronic execution on the Trading Platform will, depending on the Swap, be matched in accordance with one or more algorithms, the detailed operation of which shall be set out in notices issued by the Company.

(b) For certain Swaps, a workup ("**Join the Trade**" or "**JTT**") session may commence after a transaction is executed in the Order Book. During a JTT session, Participants and Sponsored Access Firms in the triggering transaction and other Participants and Sponsored Access Firms are invited to participate in the transaction to buy or sell additional quantities of the same instrument at the previously executed price level. The Company may provide the initial counterparties to a Swap execution exclusivity or priority during a JTT session. The operation of the Order Book may or may not be suspended with respect to a Swap that is subject to a JTT session, but any pre-existing orders in the Order Book that are equal to or better than the price of a triggering transaction will be automatically included in the JTT session. Orders in the Order Book that are not filled during the JTT session will remain in the Order Book unless and until cancelled or expired. The Company will provide notice prior to the commencement of a JTT session, which notice will include the starting time and duration (if not subsequently extended by the Company) of the JTT session.

(c) The Trading Platform also supports an auction functionality that matches the trading interest of buyers and sellers at pre-disclosed, transparent, static prices. This functionality is segmented into a fixing component and a matching component.

(i) *Fixing:* Under the fixing component, the Company will give Participants and Sponsored Access Firms prior notice that a fixing session will occur during which Registered Traders may submit indicative bids and offers for a Swap designated by the Company ("**Designated Swap**"). Once this session commences, Registered Traders may submit undisclosed, indicative bids and offers for the Designated Swap in the minimum size and during the time identified by the Company in the notice. Upon the expiration of the fixing session, the Company shall calculate the fixing price for the Designated Swap based upon the average of the best bid and offer in the Order Book during the fixing session, and shall disseminate such fixing price to all Participants and Sponsored Access Firms.

(ii) *Matching:* After the expiration of the fixing session and the dissemination by the Company of the fixing price, a matching session will commence. In the alternative, the Company may initiate a matching session that has not been preceded by a fixing session, in which event the Company will determine the price that is to be used for the matching session by selecting a midpoint, using a method that will be disclosed by notice to Participants and

Sponsored Access Firms in advance of a matching session. Once a matching session commences, Participants and Sponsored Access Firms may submit firm bids and offers for the Designated Swap at the matching session price. All such bids and offers must be in the minimum size and be submitted during the time identified by the Company in a notice to Participants and Sponsored Access Firms. The matching session is open to all Participants and Sponsored Access Firms, but Orders submitted by Participants and Sponsored Access Firms that participated in a fixing session, if any, will receive priority over Participants and Sponsored Access Firms that did not so participate. A matching session will terminate if the Designated Swap trades in the Order Book at a price that is better than the matching session price for such Designated Swap.

(iii) *Request for Match:* The Trading Platform also contains a mechanism that operates in conjunction with the Order Book pursuant to which the Company displays a separate price for a Swap that is being traded on the Order Book (the "Reference Price"). The Reference Price must be between the best bid and best offer for such Swap and will be displayed adjacent to the prices that are being displayed for the Swap on the Order Book. Participants that desire to buy or sell the Swap at this price may inform the Company of their desire to buy or sell a certain quantity of the Swap at the Reference Price. While such information will not be displayed to Participants, the manner in which the Reference Price is displayed on the Trading Platform will change to indicate that a Participant has expressed in interest in trading the Swap at the Reference Price. Any trading interest that is submitted utilizing this mechanism which is capable of execution will be executed at the Reference Price.

508. Request for Quote

(a) Participants and Sponsored Access Firms may initiate and respond to RFQs for Required Transactions and for Permitted Transactions.

(b) The provisions of this paragraph (b) shall apply to an RFQ that is utilized in connection with a Required Transaction.

(i) A Participant or Sponsored Access Firm may submit an anonymous or disclosed request for quote to all Participants and Sponsored Access Firms and in any case to not fewer than the minimum number of Participants and Sponsored Access Firms required under CFTC Regulations.

(ii) Participants and Sponsored Access Firms receiving such an RFQ that are Affiliates of the requester shall not be counted toward the minimum required number of market participants. In the event that Participants or Sponsored Access Firms receiving such an RFQ are Affiliates of each other, only one such Participant or Sponsored Access Firm shall be counted toward the minimum required number of market participants.

(iii) In the event a Participant or Sponsored Access Firm does not specify the other Participants or Sponsored Access Firms to whom a RFQ is to be sent, the Company shall select and communicate the RFQ to not fewer than the minimum required number of eligible Participants and/or Sponsored Access Firms.

(iv) At the time that the requester receives the first responsive bid or offer, the Company shall communicate to the requester any firm bid or offer pertaining to the same instrument resting on an Order Book and shall provide the requester with the ability to execute against such firm resting bids or offers along with any responsive responses to the Request for Quote.

(v) The Trading Platform may offer the party initiating an RFQ the ability to make a counteroffer to any quotes that it receives. A requester that, upon receipt of a response to an RFQ, desires to make such a counteroffer must submit such responses such counteroffer to not fewer than the minimum required number of eligible Participants and/or Sponsored Access Firms.

(c) A Participant or Sponsored Access Firm that receives one or more responses to an RFQ that it submitted on behalf of any Person other an Affiliate of such Participant or Sponsored Access Firm shall not disclose such responses except to the Person on whose behalf the RFQ has been submitted, the Company or a Regulatory Authority.

(d) The Company may, for certain asset classes and with notice given pursuant to Rule 915(b), permit a Participant or Sponsored Access Firm that has initiated an RFQ to accept more than one of the responses to such RFQ.

(e) The parties to a Swap that results from an RFQ shall provide the Company with such Required Swap Creation Data as is known by the parties at the time the Swap is reported to the Trading Platform.

(f) The Company shall reflect an RFQ that is not executed solely by electronic means in the Company's audit trail promptly after the execution of such RFQ.

509. Methods of Execution

In addition to the methods of execution set forth in Rule 507 and in Rule 508, directions to effect a Required Transaction may be given to an employee of the Company. Subject to the requirements of CFTC Regulations relating to the execution of Required Transactions and instructions that may be given by a Participant or Sponsored Access Firm, such directions may be effectuated as such employee deems appropriate, taking into account liquidity, the size and price of the Order or RFQ, the credit arrangements of the Parties to the trade (where applicable), and such other factors as such employee deems relevant in the circumstances.

510. Rule Violations

It shall be prohibited for a Participant or any of its Sponsored Access Firms or Registered Traders to violate any Rule of the Company or any agreement made with the Company, or to engage in fraud, dishonorable or dishonest conduct, or conduct which is inconsistent with just and equitable principles of trade. No Person shall take action or direct another to take action based on nonpublic information regarding Orders, 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.

511. Fraudulent Acts Prohibited

No Participant or any of its Sponsored Access Firms or Registered Traders shall engage in any fraudulent act or any scheme to defraud, deceive, trick or mislead in connection with or related to any Company activity.

512. Fictitious or Noncompetitive Transactions Prohibited

No Participant or any of its Sponsored Access Firms or Registered Traders shall create a fictitious transaction or a noncompetitive transaction (except, in the case of a noncompetitive transaction, as otherwise authorized by the Rules) or execute such an Order with knowledge of its nature.

513. Fraudulent or Misleading Communications

No Participant or Sponsored Access Firm shall make any fraudulent or misleading communications relating to any transaction in a Swap.

514. Market Disruption Prohibited

Orders entered into the Trading Platform for the purpose of upsetting the equilibrium of the market in any Swap or creating a condition in which prices do not or will not reflect fair market values are prohibited, and a Participant or any of its Sponsored Access Firms or Registered Traders who makes or assists in entering any such Order with knowledge of its purpose or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order shall be deemed to have engaged in an act detrimental to the Company.

515. Market Manipulation Prohibited

No Participant or any of its Sponsored Access Firms or Registered Traders shall manipulate or attempt to manipulate the market in any Swap.

516. Disruptive Trading Practices Prohibited

No Participant or any of its Sponsored Access Firms or Registered Traders shall engage in any trading practice or conduct that constitutes a “disruptive trading practice,”

as such term is described in Section 4c(a)(5) of the CEA or in interpretive guidance issued by the CFTC.

517. Adherence to Law

No Participant or any of its Sponsored Access Firms or Registered Traders shall engage in conduct in violation of the Rules or the rules of the Derivatives Clearing Organization (insofar as the rules of the Derivatives Clearing Organization relate to the reporting or clearance of any transaction in Swaps).

518. Good Faith Bids and Offers

No Participant or any of its Sponsored Access Firms or Registered Traders shall knowingly enter, or cause to be entered, bids or offers into the Trading Platform other than in good faith for the purpose of executing bona fide transactions.

519. Disciplinary Procedures

All access denials, suspensions, expulsions and other restrictions imposed upon a Participant or any of its Sponsored Access Firms or Registered Traders by the Company pursuant to Company disciplinary procedures shall restrict, with equal force and effect, access to, and use of, the Trading Platform.

520. Termination of Connection

(a) The Company, at its sole discretion, shall have the right to summarily terminate the Trading Privileges of any Participant or the access of any Trader ID to the Trading Platform. Additionally, the Company, at its sole discretion, shall have the right to direct a Participant to immediately terminate access to the Trading Platform of any of such Participant's Sponsored Access Firms or Registered Traders.

(b) A Participant, Sponsored Access Firm or Registered Trader whose Trading Privileges are revoked or terminated, shall remain bound by the Rules and Applicable Law and subject to the jurisdiction of the Company with respect to any and all matters arising from, related to, or in connection with, the status, acts or omissions of such former Participant arising prior to such revocation or termination. Such former Participant, Registered Trader or Sponsored Access Firm must also cooperate in respect of any disciplinary proceeding arising under Chapter 7 as if such former Participant, Sponsored Access Firm, Registered Trader were still a Participant, Sponsored Access Firm or Registered Trader.

521. Prohibition of Misstatements

No Participant or any of its Sponsored Access Firms or Registered Traders shall make any knowing misstatement of a material fact to the Company, any Company Official, or any committee or Company panel.

522. Acts Detrimental to Company Prohibited

No Participant or any of its Sponsored Access Firms or Registered Traders shall engage in any act that is detrimental to the Company or access the Trading Platform in any way which could be expected to bring disrepute upon such Participant, Sponsored Access Firm or Registered Trader, or the Company. Without limiting the generality of the foregoing, it shall be deemed an act detrimental to the Company to (i) permit unauthorized use of the Trading Platform; (ii) assist any Person in obtaining unauthorized access to the Trading Platform; (iii) trade on the Trading Platform without an agreement and an established account with a Clearing Firm (with the exception of Uncleared Swaps); (iv) alter the equipment associated with the Trading Platform (except with the Company's consent); (v) interfere with the operation of the Trading Platform; (vi) intercept or interfere with information provided thereby; or (vii) in any way use the Trading Platform in a manner contrary to the Rules.

523. Supervision

A Participant shall establish, maintain and administer supervisory procedures that are reasonably designed to monitor the compliance of its Sponsored Access Firms and Registered Traders with the Rules, and such Participant may be held accountable for the actions of such Sponsored Access Firms and Registered Traders.

524. Liquidity Provider Programs

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

525. Responsibility for Customer Orders

(a) A Participant or Sponsored Access Firm who inadvertently fails to execute a Customer Order at the time it should have been executed may, upon discovery of such error or omission, execute such Order at the best obtainable price. Unless the Customer that has placed the Order agrees otherwise, such Order shall be executed as promptly as practicable and shall be reported to the Customer at the price at which actually executed. A Participant or Sponsored Access Firm may not adjust the price at which an Order was executed. A Participant or Sponsored Access Firm that agrees to compensate a Customer for such an error shall document all such payments, including the amount of any payment and the reason therefor. Such records must be provided to the Company upon request.

(b) A Participant or Sponsored Access Firm may execute an Order to rectify an error as provided in paragraph (a) without prior instructions from the Customer, but this Rule 525 shall not be construed to contravene any instructions received from a Customer respecting any such Order prior to its execution.

526. Withholding of Customer Orders Prohibited

No Participant or Sponsored Access Firm shall withhold or withdraw from the market any Customer Order, or any part of an Order, for the benefit of any Person other than the Customer for whom the Participant is placing the Order.

527. Priority of Customer Orders

(a) No Participant shall knowingly enter an Order into the Trading Platform 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, without limitation, an Order allowing discretion as to time and price, when such Participant is in possession of a Customer Order that can be but has not been submitted to the Trading Platform.

(b) For purposes of this Rule 527, a Participant will not be deemed to knowingly buy or sell a Swap or execute a discretionary Order if (i) such Participant is a corporate or other legal entity consisting of more than one individual trader, (ii) such Participant has in place appropriate "firewall" or separation of function procedures and (iii) the Registered Trader buying or selling the Swap or executing the discretionary Order in question has no direct knowledge of the Order to buy or sell the same Swap for any other Person at the same price or at the market price or of the Customer Order for the same Swap, as the case may be.

(c) Nothing in this Rule 527 limits the ability of an "eligible account manager" to bunch Orders in accordance with CFTC Regulation 1.35(b)(5).

528. Trading Against Customer Orders

(a) *General Prohibition*. No Participant or Sponsored Access Firm 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.

(b) *Exceptions*. The foregoing restriction does not prohibit permissible pre-execution discussions conducted in accordance with Rule 533(b) and shall not apply to the following:

(i) Transactions executed pursuant to Rule 601;

(ii) A trade knowingly made by a Participant or Sponsored Access Firm in the Order Book against a Customer Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority if, in any such case, the Customer Order has first been exposed in the Order Book for a minimum of fifteen seconds or such lesser period (not less than five seconds) as may be specified by the Company from time to time for a given Swap, taking into account liquidity in such Swap. The Company may reduce the time delay required under this paragraph (b)(ii) for a particular Swap, based on such Swap's liquidity and other relevant characteristics;

provided, however, that any reduced time delay shall provide Participants with sufficient time to have a meaningful opportunity to execute against such Orders; or

(iii) Permitted Transactions.

529. Simultaneous Buying and Selling Orders

(a) Opposite Orders for different beneficial owners that are simultaneously placed by a Participant or Sponsored Access Firm with discretion (including time and price discretion) over both accounts may be entered into the Trading Platform, as long as one Order is exposed for a minimum of fifteen seconds or such lesser period (not less than five seconds) as may be specified by the Company from time to time for a given Swap, taking into account liquidity in such Swap. The Company may reduce the time delay required by this paragraph (a) for a particular Swap, based on such Swap's liquidity and other relevant characteristics; provided, however, that any reduced time delay shall provide Participants with sufficient time to have a meaningful opportunity to execute against such Orders.

(b) Independently initiated Orders on opposite sides of the market for different beneficial account owners that are immediately executable against each other may be entered without delay provided that the Orders did not involve pre-execution discussions.

(c) This Rule 529 shall not apply to Permitted Transactions.

530. Disclosing Orders Prohibited

Except as permitted by Rule 533(b), no Participant or Sponsored Access Firm shall disclose an Order to buy or sell, except to a designated Company Official or the CFTC or as necessary to efficiently execute the Order, and no Participant or Sponsored Access Firm shall solicit or induce another Person to disclose Order information.

531. Wash Sales Prohibited

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

532. Modification and Cancellation of Orders

Any Order that has been entered into the Trading Platform may be modified or cancelled unless and until it 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 Trading Platform.

Such modification or cancellation will become effective upon receipt by the Trading Platform of the modification Order or cancellation Order. 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 Trading Platform.

533. Money Passing, Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited

(a) No Person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any Order, except as provided in paragraph (b) below. The foregoing restriction shall not apply to Block Trades effected pursuant to Rule 601 or to Permitted Transactions.

(b) Participants and Sponsored Access Firms or Registered Traders may engage in pre-execution communications with regard to Required Transactions executed or to be executed in the Order Book 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 Order Book first, and the second party's Order may not be entered into the Order Book until a period of fifteen seconds has elapsed from the time entry of the first Order, or such lesser period (not less than five seconds) as may be specified by the Company from time to time for a given Swap, taking into account liquidity in such Swap.

(c) No Person may enter Orders the purpose of which is to enter into Swaps without a net change in either party's open positions but a resulting profit to one party and a loss to the other party, commonly known as a "money pass."

534. Discretionary Orders

No Participant or Sponsored Access Firm shall submit a discretionary Order to the Trading Platform for the account of another Person without the prior specific written consent of such other Person to the exercise of such discretion. An Order that gives a Participant solely time and price discretion shall not be subject to this rule.

535. Position Limits; Exemptions

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

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

(c) The Company shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Company may approve, deny, condition or limit any exemption request based on factors deemed by the Company to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner. A Person that has received an exemption from position limits pursuant to this Rule 535 shall be deemed to have agreed:

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

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

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

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

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

(e) Nothing in this Rule 535 shall in any way limit:

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

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

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

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

536. Position Accountability

(a) The Company shall establish position accountability levels for Required Transactions unless the Company has previously established position limits pursuant to Rule 535. A Person who holds or controls aggregate positions in excess of position accountability levels shall:

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

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

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

(b) For purposes of this Rule 536, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by or the trading of the positions was controlled by a single Person.

537. Aggregation of Positions

For purposes of Rule 535 and Rule 536, positions in Swaps shall be aggregated in accordance with CFTC Regulations.

538. Trade Cancellations

(a) The Company may, in its sole discretion, cancel any trade that has not yet been submitted by the Company to a Derivatives Clearing Organization if it believes that allowing the trade or trades to stand as executed could have a material, adverse effect on the integrity of the market or is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Trading Platform or by system defects. All decisions of the Company to cancel trades shall be final. The Company shall not have any liability for losses resulting from trade cancellations under this Rule. The Company retains exclusive authority over all decisions involving the cancellation of trades.

(b) The Company may determine to review a trade based on its independent analysis of market activity or upon request for review by a user of the Trading Platform. A request for review must be made within 15 minutes of the execution of the trade. The Company shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the Company deems it to be appropriate, the Company may determine, in its sole discretion, that a trade shall not be subject to review. Upon deciding to review a trade, the Company will promptly issue an alert to involved Participants and Sponsored Access Firms via the Trading Platform or electronic mail indicating that the trade is under review.

(c) A decision by the Company to cancel a trade will be made as soon as practicable, and the Company shall notify Participants, Sponsored Access Firms and the Swap Data Repository of any such decision.

(d) In addition to the foregoing, the Company shall have the right in its sole discretion to cancel Swaps executed at prices outside the no-bust range but not submitted to a Derivatives Clearing Organization. For these purposes, the price of a Swap shall be within the "no-bust range" if such price is not more than 10% higher or lower than the price of the last trade in such Swap or, if such Swap has not previously been traded on that Business Day, not more than 10% higher or lower than the prior Business Day's settlement price for such Swap.

539. Message Traffic

The Company may at any time restrict, or establish utilization fees in respect of, Message Traffic, either with respect to all or any Participants (or some or all of their Sponsored Access Firm and/or Registered Traders) in order to safeguard the security or operations of the Company, or to preserve market integrity, fair and orderly trading, or if otherwise in the public interest.

540. Swap Data Reporting

(a) The Company will report Required Swap Creation Data to a Swap Data Repository for each Swap. The Company may provide such Required Swap Creation Data to Participants, Sponsored Access Firms and Registered Traders no earlier than the

time it transmits such information to a Swap Data Repository and in a form that does not disclose the identities, or otherwise facilitate identification, of the parties to the Swap.

(b) The Reporting Counterparty for each Swap executed pursuant to the Rules shall be established pursuant to CFTC Regulation 45.8. If both counterparties to a Swap executed pursuant to the Rules are equal in the hierarchy (for example, both are swap dealers), the Reporting Counterparty for such Swap shall be the Participant or Sponsored Access Firm that is the buyer or payer (or equivalent) on the Swap.

(c) The Company shall from time to time designate a Swap Data Repository in respect of one or more Swaps and shall notify Participants and Sponsored Access Firms of such designation.

(d) Each Participant and Sponsored Access Firm: (i) authorizes the Company to send Required Swap Creation Data on its behalf and, if applicable, on behalf of its Customers to the relevant Swap Data Repository and agrees to take all such actions as are deemed necessary or required by such Swap Data Repository to facilitate or confirm such authorization; and (ii) consents to the maintenance of such Required Swap Creation Data by the relevant Swap Data Repository.

541. Correction or Cancellation of Transaction Data

Participants and Sponsored Access Firms that become aware of an error or omission in Required Swap Creation Data for a Swap shall promptly submit corrected data to the Company and, if the error or omission relates to a Block Trade, the counterparty to such Block Trade.

CHAPTER 6
BLOCK TRADES

601. Block Trades

(a) The following shall govern all Block Trades in Swaps:

(i) A Block Trade must be for a quantity that is equal to or in excess of the applicable minimum block size for such Swap set forth in CFTC Regulations.

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

(iii) Except as may otherwise be permitted by Applicable Law, Participants shall not aggregate Orders for different accounts to achieve the minimum block size.

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

(v) The Reporting Counterparty to a Block Trade must ensure that each Block Trade is submitted to the Company as soon as technologically practicable via an approved submission method. The submission must include the information required by Rule 506(b), together with such other information as the Company may require.

(vi) Registered Traders and 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.

602. Front Running Prohibited

(a) Parties involved in the solicitation or negotiation of a Block Trade and parties that are privy to nonpublic information regarding a consummated Block Trade may not disclose such information to any other party prior to the public report of the Block Trade by the Exchange and may not trade in the same product or closely-related product for the purpose of taking advantage of such information.

(b) Pre-hedging or anticipatory hedging of any portion of a Block Trade in the same product or a closely-related product based upon a solicitation to participate in a

Block Trade is not permitted. A closely related product is a product that is highly correlated to, serves as a substitute for, or is the functional economic equivalent of the product being traded as a Block Trade. Counterparties to a Block Trade are permitted to initiate trades to hedge or offset the risk associated with the Block Trade following the consummation of the Block Trade, including during the period preceding the public report of the Block Trade by the Exchange.

CHAPTER 7
DISCIPLINE AND ENFORCEMENT

701. General

(a) Participants, Sponsored Access Firms, Registered Traders and other Persons within the Company's jurisdiction are subject to this Chapter 7 if they are alleged to have violated, to have aided and abetted a violation of, to be violating, or to be about to violate, any Rule of the Company or any provision of Applicable Law for which the Company possesses disciplinary jurisdiction.

(b) Except when the Board reserves responsibility for an inquiry or investigation to itself or delegates its responsibility to a committee of the Board, the Company will conduct inquiries, investigations, disciplinary proceedings and appeals from disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 7.

(c) The Company may delegate any or all of its powers or responsibilities under this Chapter 7 to the Compliance Department, which may take any actions on behalf of the Company that the Company is permitted to take hereunder. In the event of any such delegation, references to the Company in this Chapter 7 shall be construed to be references to the Compliance Department. The Compliance Department will maintain an enforcement staff that will effectively and promptly prosecute violations in accordance with this Chapter 7. The enforcement staff may not include persons that are associated with Participants, Sponsored Access Firms or Registered Traders or with persons whose interests conflict with their enforcement duties. Further, a member of the enforcement staff may not operate under the direction or control of any Person with Trading Privileges. Any reference to the Compliance Department in this Chapter 7 shall also be a reference to the enforcement staff.

(d) Any member of the Compliance Department must promptly recuse himself or herself and notify the Chief Compliance Officer of the recusal if such member has a relationship of a type listed in Rule 205(a)(i) with a potential respondent in an investigative report.

(e) No member of the staff of the Company 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. No member of the Board 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 with respect to which the Board member is not a member of the relevant Review Panel, Disciplinary Panel or Appeal Panel.

(f) Upon being served with a notice of charges, the respondent may be represented by counsel or any other representative of its choosing, at its own expense, in all succeeding stages of the disciplinary process pursuant to this Chapter 7.

(g) Pursuant to this Chapter 7, the Company may hold:

(i) a Participant liable, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation of Applicable Law;

(ii) a Participant liable, and impose sanctions against such Participant, for the acts and omissions of each Sponsored Access Firm or Registered Trader authorized by, and each other agent or representative of, such Participant that constitute a violation of Applicable Law as if such violation were that of the Participant;

(iii) a Sponsored Access Firm or Registered Trader liable, and impose sanctions against him or her, for such Sponsored Access Firm's or Registered Trader's own acts and omissions that constitute a violation of Applicable Law; and

(iv) a Sponsored Access Firm or Registered Trader liable, and impose sanctions against him or her, for the acts and omissions of each agent or representative of such Sponsored Access Firm or Registered Trader that constitute a violation of Applicable Law as if such violation were that of the Sponsored Access Firm or Registered Trader.

(h) The Board shall appoint individuals at the recommendation of the Chief Compliance Officer to serve for a term of one year subject to reappointment, removal or replacement by the Board, as potential participants on Review Panels, Disciplinary Panels and Appeal Panels. The term of an individual selected as a member of a Review Panel, Disciplinary Panel or an Appeal Panel will not expire until the relevant disciplinary proceedings are complete. No member of the Compliance Department may be a participant on a Review Panel, Disciplinary Panel or Appeal Panel.

702. Inquiries and Investigation

(a) The Compliance Department will investigate any matter within the Company's disciplinary jurisdiction that is brought to the attention of the Compliance Department. An investigation must be commenced upon the receipt of a request from the CFTC staff or upon the discovery or receipt of information by the Company that, in the judgment of the Compliance Department, indicates a reasonable basis for finding that a violation has occurred or will occur. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion.

(b) The Compliance Department has the authority to:

(i) initiate and conduct inquiries and investigations;

(ii) prepare investigative reports and make recommendations concerning the initiation of disciplinary proceedings; and

(iii) prosecute alleged violations within the Company's disciplinary jurisdiction; and

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

(c) Each Participant, Sponsored Access Firm or Registered Trader and other Person subject to the Company's jurisdiction:

(i) is obligated to appear and testify and respond in writing to inquiries within the time period required by the Compliance Department in connection with (A) any Rule of the Company; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary proceeding or appeal from a decision in a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Company;

(ii) is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Compliance Department in connection with (A) any Rule of the Company; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary proceeding or appeal from a decision in any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Company; and

(iii) may not impede or delay any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

703. Reports of Investigations

(a) The Compliance Department will maintain a log of all investigations and their disposition. Any member of the Compliance Department must promptly recuse himself or herself and notify the Chief Compliance Officer of the recusal if such member has a relationship of a type listed in Rule 205(a)(i) with a potential respondent named in an investigative report. The Compliance Department will prepare a written report of an investigation for the Chief Compliance Officer when the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within the Company's jurisdiction has occurred or is about to occur. Any such written investigation report will include the following information:

(i) the reason(s) for initiating the investigation;

(ii) a summary of the complaint, if any;

(iii) all relevant facts and evidence gathered;

(iv) the Compliance Department's analysis and conclusions; and

(v) the recommendation of the Compliance Department as to whether disciplinary action should be pursued.

(b) For each potential respondent, the Compliance Department will recommend any one of the following actions:

(i) closing the investigation without further action;

(ii) resolving the investigation through an informal disposition, including the issuance of a warning letter; or

(iii) initiating disciplinary proceedings.

(c) If the Compliance Department determines that no reasonable basis exists for finding a violation, then the written investigation report will include the following information:

(i) the reasons for initiating the investigation;

(ii) a summary of the complaint, if any;

(iii) all relevant facts and evidence gathered;

(iv) the Compliance Department's analysis and conclusions; and

(v) a copy of any recommended warning letter as well as the Participant's disciplinary history at the Company.

(d) After reviewing the Compliance Department's written investigation report, the Chief Compliance Officer will either:

(i) determine to proceed with the Compliance Department's recommendation to close the investigation without further action, or to resolve the investigation through an informal disposition, if such a recommendation has been made;

(ii) forward the investigation report to a Review Panel to determine whether further action with respect to the matters discussed therein is warranted; or

(iii) determine to proceed with the Compliance Department's recommendation to initiate disciplinary proceedings, if such a recommendation has been made.

(e) Each Compliance Department investigation must be completed in a timely manner. Absent mitigating factors, a timely manner is no later than 12 months after the date that an investigation is opened. Mitigating factors that may reasonably justify an investigation taking longer than 12 months to complete include the complexity of the investigation, the number of firms or individuals involved as potential wrongdoers, the

number of potential violations to be investigated, and the volume of documents and data to be examined and analyzed.

(f) In addition to any of the actions permitted pursuant to this Rule 703, the Compliance Department may issue a warning letter to the potential respondent. Such warning letter, if issued, shall not be construed as a penalty or an indication that a finding of a violation has been made. No more than one warning letter for the same potential violation may be issued to the same potential respondent during any rolling 12-month period.

704. Review Panel

(a) The Chief Compliance Officer may, at his or her discretion, convene a Review Panel to review an investigation report submitted by the Compliance Department to determine whether (i) a reasonable basis exists to believe that a violation of the Rules has occurred, and (ii) commencing disciplinary proceedings in respect of such potential violation is warranted. The chairman of the Review Panel shall be appointed by the Chief Compliance Officer.

(b) The Review Panel will review the completed investigation report promptly after receipt thereof and, within 20 days of such receipt, take one of the following actions:

(i) If the Review Panel determines that additional investigation or evidence is needed, the Review Panel shall promptly direct the Compliance Department to conduct such further investigation;

(ii) If the Review Panel determines that no reasonable basis exists for finding a violation or that prosecution is otherwise unwarranted, the Review Panel may direct that no further action be taken. Such determination must be in writing, and must include a written statement setting forth the facts and analysis supporting the decision; or

(iii) If the Review Panel determines that a reasonable basis exists for finding a violation and adjudication is warranted, it must direct that the person or entity alleged to have committed the violation be served with a notice of charges.

(c) Any member of the Review Panel must promptly recuse himself or herself and notify the Chief Regulatory Officer of the recusal if such member has a relationship of a type listed in Rule 205(a)(i) with a potential respondent in an investigative report.

(d) The Review Panel shall be comprised of three individuals, at least one of whom would qualify to serve as a Public Director in accordance with Rule 201(d). In forming a Review Panel, the Chief Compliance Officer shall draw panel members from the individuals appointed by the Board as potential members of Review Panels. No group or class of Participants may dominate or exercise disproportionate influence on a Review Panel, and no member of the Review Panel may participate in deliberations or voting on any matter in which he or she has a financial, personal or other direct interest. A Review Panel may not include any person involved in adjudicating any other stage of the same

proceeding. If a vacancy shall occur on a Review Panel after it has begun its proceedings, the remaining members shall complete consideration and disposition of the matter. Once a Review Panel has determined the matter for which it was appointed and has notified the Chief Compliance Officer in writing of its decision, it shall be dissolved automatically. The Regulatory Oversight Committee may, at any time, remove any member of a Review Panel for cause.

705. Notice of Charges

(a) If the Chief Compliance Officer or Review Panel authorizes the initiation of disciplinary proceedings, the Compliance Department will prepare, and serve in accordance with Rule 707, a notice of charges.

(b) A notice of charges must:

(i) adequately state the acts, practices or conduct that the respondent is alleged to have engaged in;

(ii) state the provision(s) of Applicable Law alleged to have been violated or about to be violated;

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

(iv) state the period of time within which the respondent can request a hearing on the notice of charges, which will not be less than 20 days after service of the notice of charges;

(v) 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

(vi) advise the respondent that a failure to answer or to expressly deny a charge may be deemed to be an admission of such charge.

(c) Upon being served with a notice of charges, the respondent has the right to be represented by legal counsel or any other representative of its choosing in all succeeding stages of the disciplinary proceedings, other than a Board member, Director, member of an applicable Disciplinary Panel, Company employee or other person substantially related to the underlying investigation.

706. Answer to Notice of Charges

(a) If the respondent determines to answer a notice of charges, the respondent must file a written answer within 20 days after being served with such notice, or within such later time period determined appropriate by the Chairman of the Disciplinary Panel.

(b) To answer a 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 Disciplinary Panel.

(c) Any failure by the respondent to timely serve a written answer to a notice of charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to answer or expressly deny one or more allegations in a notice of charges will be deemed to be an admission of that allegation or those allegations. A general denial by the respondent, without more, will not satisfy the foregoing requirements.

(d) If a respondent admits or fails to specifically deny any of the allegations in the notice of charges, the Disciplinary Panel shall find that the violations set forth in such allegations have been committed and shall impose a sanction for each such violation. The Disciplinary Panel shall promptly notify the respondent in writing of any sanction to be imposed pursuant to this Rule 706(d) and advise the respondent that it may request a hearing on such sanction within the time period specified in the notice. The failure to request such a hearing within such time period shall be deemed to constitute an acceptance of such sanction. Any hearing pursuant to this Rule 706(d) shall be concerned only with the sanction(s) imposed by the Disciplinary Panel pursuant to this Rule 706(d).

707. Service of Notice

Any notice of charges or other documents contemplated to be served pursuant to this Chapter 7 may be served upon the respondent either personally or by leaving the same at the respondent's place of business during business hours or by deposit with the United States post office, postage prepaid via registered or certified mail, or by overnight delivery, addressed to the respondent at the respondent's last known place of business or residence.

708. Settlements

(a) At any time after a notice of charges has been issued, the respondent may propose in writing an offer of settlement to anticipated or instituted disciplinary proceedings. Any offer of settlement must contain proposed findings and sanctions and be signed by the respondent or potential respondent and submitted to the Compliance Department. A respondent or potential respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in the order of the disciplinary proceedings, but must accept the jurisdiction of the Company over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed under such offer of settlement.

(b) The Disciplinary Panel may accept the offer of settlement, but may not alter the terms of a settlement offer unless the respondent or potential respondent agrees.

(c) If an offer of settlement is accepted, the Disciplinary Panel must issue a written decision specifying the rule violations that the presiding panel has reason to believe were committed, including the basis or reasons for the presiding panel's conclusions, and any sanction to be imposed, which shall include full Customer restitution where Customer harm is demonstrated. Should an offer of settlement be accepted by the Disciplinary Panel without the agreement of the Compliance Department, such written decision must adequately support the Disciplinary Panel's acceptance of the settlement. If applicable, such written decision must also include a statement that the respondent has accepted the sanctions imposed without either admitting or denying the rule violations.

(d) The respondent or potential respondent may withdraw his or her offer of settlement at any time before final acceptance by the presiding panel.

(e) If the offer of settlement of a respondent or potential respondent is not accepted, fails to become final or is withdrawn before final acceptance by the presiding panel, the matter will proceed as if the offer had not been made and the offer (and all documents relating to it) will not become part of the record. Neither the respondent, the potential respondent, nor the Compliance Department may use an unaccepted offer of settlement as an admission or in any other manner at a hearing of, or appeal from, any disciplinary proceedings.

(f) Any accepted settlement agreement shall include a waiver by the respondent of all rights to appeal or otherwise challenge or contest the validity of the settlement offer.

709. Disciplinary Panel

(a) The Chief Compliance Officer will appoint a Disciplinary Panel to conduct hearings in connection with any disciplinary proceedings authorized by the Chief Compliance Officer or a Review Panel to make findings and impose sanctions pursuant to this Chapter 7.

(b) The Disciplinary Panel shall be comprised of three individuals, at least one of whom would qualify to serve as a Public Director in accordance with Rule 201(d). In forming a Disciplinary Panel, the Chief Compliance Officer shall draw panel members from the individuals appointed by the Board as potential members of Disciplinary Panels. The chairman of the Disciplinary Panel shall be appointed by the Chief Compliance Officer. No group or class of Participants may dominate or exercise disproportionate influence on a Disciplinary Panel, and no member of the Disciplinary Panel may participate in deliberations or voting on any matter in which he or she has a financial, personal or other direct interest. A Disciplinary Panel may not include any person involved in adjudicating any other stage of the same proceeding. If a vacancy shall occur on a Disciplinary Panel after it has begun its proceedings, the remaining members shall complete consideration and disposition of the matter. Once a Disciplinary Panel has

determined the matter for which it was appointed and has notified the Secretary in writing of its decision, it shall be dissolved automatically. The Board may, at any time, remove any member of a Disciplinary Panel for cause.

(c) Any of the functions of the Company or the Disciplinary Panel under this Chapter 7 may be performed by a Regulatory Service Provider pursuant to a delegation of such functions by the Company, and references to the Disciplinary Panel or the Compliance Department, as appropriate, shall be deemed to be references to such Regulatory Service Provider. Nevertheless, the Company will retain exclusive authority in all substantive decisions made by the Regulatory Service Provider, including, but not limited to, denials of access to the Trading Platform for disciplinary reasons. The Company will document any instances where its actions differ from those recommended by the Regulatory Service Provider.

(d) Within ten days of being notified of the appointment of a Disciplinary Panel, a respondent may seek to disqualify any individual named to the Disciplinary Panel for the reasons identified in Rule 205(a)(i) or for any other reasonable grounds, by serving written notice on the general counsel and providing a copy thereof to the Disciplinary Panel. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The general counsel will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

710. Convening Hearings of Disciplinary Proceedings

(a) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 717) will be conducted at a hearing before a Disciplinary Panel. A hearing will be conducted privately and confidentially unless the Disciplinary Panel decides that the hearing, or any part of it, should be held in public after giving each respondent the opportunity to present its, his or her views on holding a public hearing. Notwithstanding the confidentiality of hearings, a 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 disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Compliance Department. The hearing shall be conducted before members of the Disciplinary Panel.

(c) The chairman of the Disciplinary Panel may continue, adjourn or otherwise conduct the hearing as he or she may deem appropriate. The chairman of the Disciplinary Panel will determine all procedural and evidentiary matters, including any pre-hearing motions and the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chairman of the Disciplinary Panel will not be bound by any evidentiary or procedural rules or law; nevertheless, the procedures for the hearing may not be so informal as to deny a fair hearing. Once

admitted during the hearing, the Disciplinary Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The Company will provide guidance to the chairman of the Disciplinary Panel on the conduct of the hearing.

(d) Except for procedural and evidentiary matters decided by the chairman of the Disciplinary Panel pursuant to paragraph (c) above and Rule 711, unless each respondent otherwise consents, the entire Disciplinary Panel must be present (either in person or telephonically) during the entire hearing and any related deliberations.

711. Respondent's Review of Evidence

(a) Prior to the commencement of a hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other evidence in the possession or under the control of the Company that the Compliance Department will use to support the allegations and proposed sanctions in the notice of charges or which the chairman of the Disciplinary Panel deems relevant to those charges. Notwithstanding the foregoing, no respondent will have the right to review, and the Company will have no obligation to disclose, any information that is (i) protected by attorney-client privilege or the work product doctrine; (ii) was prepared by the Compliance Department or an employee of the Company but will not be offered in evidence in the disciplinary proceedings; (iii) may disclose a technique or guideline used in examinations, investigations or enforcement proceedings; or (iv) discloses the identity of a confidential source.

(b) If any books, records, documents, papers, transcripts of testimony or other tangible evidence contain 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 Compliance Department, the Compliance Department may redact, edit or code such information before furnishing it to the respondent.

(c) Notwithstanding anything in paragraph (b) above to the contrary, the Compliance Department:

(i) will not redact, edit or code competitive or investigative information contained in documents in a manner that would impair the respondent's ability to defend against the allegations or proposed sanctions in the notices of charges, and

(ii) will provide the respondent with access to the information and portions of the documents that the Compliance Department intends to rely on to support the allegations or proposed sanctions in the notice of charges or that are relevant to those charges.

(d) For purposes of this Rule 711, information that could adversely affect competitive positions includes positions in Swaps currently held, trading strategies employed in establishing or liquidating positions, the identity of Customers, and the personal finances of the Person providing the information.

(e) Unless indicated otherwise by the chairman of the Disciplinary Panel, all such requests for access to information identified in Rule 711(a) must be made not less than ten days prior to the scheduled hearing date.

712. Conducting Hearings of Disciplinary Proceedings

(a) At a hearing conducted with a Disciplinary Panel, the Compliance Department will present its case supporting the allegations and proposed sanctions in the notice of charges to the Disciplinary Panel. The respondent is entitled to appear personally and participate in the hearing.

(b) At a hearing conducted with a Disciplinary Panel, the Compliance Department and each respondent may:

(i) present evidence and facts deemed relevant and admissible by the chairman of the Disciplinary Panel;

(ii) call and examine witnesses (including, but not limited to, employees or agents of the Company that form part of the Compliance Department); and

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

(c) If a respondent has failed to timely file a written answer to a notice of charges but appears at the hearing, the respondent may not participate in the hearing (except for a hearing pursuant to Rule 706(d)) 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 in accordance with Rule 706.

(d) Any person entitled, required, or called upon to attend a hearing before a Disciplinary Panel pursuant to paragraph (b)(ii) above will be given reasonable notice, confirmed in writing, specifying the date, time, and place of the hearing, and the caption of the disciplinary proceedings. The Company will require persons within its jurisdiction that are called as witnesses to appear at the hearing and produce evidence, and will make reasonable efforts to secure the presence of all other persons called as witnesses whose testimony would be relevant.

(e) 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 Company 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 706. In connection with considering apparent violations pursuant to this paragraph (e), the Disciplinary Panel may request that the Compliance Department provide the Disciplinary Panel with any additional information.

(f) The Disciplinary Panel may summarily impose sanctions on any Participant, Sponsored Access Firm or Registered Trader, or other Person within the Company's jurisdiction whose actions impede the progress of a hearing.

(g) The Company will arrange for any hearing conducted in connection with disciplinary proceedings to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription, and a copy of such recordings shall become a part of the record of such proceedings. If the respondent requests a copy of all or portions of the recording of a hearing, the chairman of the Disciplinary Panel may, within his or her sole discretion, order the respondent to pay the costs for transcribing the recording of the hearing.

(h) No interlocutory appeals of rulings of any Disciplinary Panel, or chairman of the Disciplinary Panel, are permitted.

713. Decision of Disciplinary Panel

(a) Promptly following a hearing, the Disciplinary Panel will render a written decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Disciplinary Panel will constitute the decision of the Disciplinary Panel.

(b) The Company will serve a copy of the written decision on the respondent and the Compliance Department. The written decision will include the following information:

(i) the notice of charges or a summary of the charges;

(ii) the answer, if any, or a summary of the answer;

(iii) a 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 with respect to each charge, and a complete explanation of the evidentiary and other bases 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; and

(vi) a declaration of all sanctions imposed against the respondent, including the basis for such sanctions and the effective date of such sanctions.

(c) Unless a timely notice of appeal is filed pursuant to Rule 716, the order of the disciplinary proceedings will become final upon the expiration of 20 days after the order is served on the respondent and a copy thereof is provided to the Compliance Department.

714. Sanctions

(a) After notice and opportunity for hearing in accordance with these rules, the Company will impose sanctions if a Participant, Sponsored Access Firm or Registered Trader, or other Person within the Company's jurisdiction is found to have violated any Applicable Law. Disciplinary sanctions imposed by the Company shall be commensurate with the violations committed, and shall be clearly sufficient to deter recidivism or similar violations by other market participants. In addition, the respondent's disciplinary history will be taken into account in determining the appropriate sanction.

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

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

(ii) censure;

(iii) limitation on the Participant's right to access all or part of the Trading Platform;

(iv) suspension of the Participant's right to access all or part of the Trading Platform for a period not to exceed 12 months;

(v) fine (subject to paragraph (c) below);

(vi) restitution or disgorgement;

(vii) expulsion or termination of a Participant, Sponsored Access Firm, Registered Trader or other Person within the Company's jurisdiction; or

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

(c) The Company may impose a fine of up to $100,000 for each violation. Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any Sponsored Access Firm or Registered Trader authorized by, or other agent or representative of, such Participant.

715. Costs

Regardless of the outcome of any disciplinary proceeding, a Disciplinary Panel may order a respondent to pay some or all of the costs associated with the disciplinary proceedings, including costs that the Disciplinary Panel believes were unnecessarily caused by the respondent. Costs may include costs associated with the inquiry or investigation, the prosecution by the Compliance Department, legal and professional assistance, the hearing, and administrative and other expenses incurred by the Disciplinary Panel.

716. Appeal from Disciplinary Panel Decision

(a) Parties to a disciplinary proceeding may appeal the decision of the Disciplinary Panel within 20 days of receiving the order of the disciplinary proceedings by filing a notice of appeal with the chief legal officer of the Company. While an appeal is pending, the effect of the written decision issued by the Disciplinary Panel (including any sanctions, remedies, or costs imposed thereby) shall be suspended.

(b) In a notice of appeal, the appellant must state in writing the grounds for appeal, including the findings of fact, conclusions, or sanctions to which the appellant objects. A written request for an appeal must specify the grounds for the appeal and the specific error or impropriety of the original decision. An appellant may appeal the written decision of a Disciplinary Panel on the grounds that (i) the decision was arbitrary, capricious, an abuse of discretion, or not in accordance with the Rules, or (ii) the decision exceeded the authority or jurisdiction of the Disciplinary Panel or the Company.

(c) The chief legal officer will forward copies of any notice of appeals received by him or her to all parties to the Disciplinary Proceedings in question other than the appellant. On or before the 20th day after filing a notice of appeal, the appellant must file with the chief legal officer and serve the Compliance Department a brief supporting the notice of appeal and documents supporting the brief.

(d) Within 20 days after the last submission filed pursuant to paragraph (c) above, the Chief Compliance Officer shall appoint an Appeal Panel to consider and determine the appeal. The Appeal Panel shall be comprised of three individuals appointed by the Board as potential members of Appeal Panels, one of whom shall be appointed by the Chief Compliance Officer to serve as chairman of the Appeal Panel. The Appeal Panel must include at least one person who is qualified to serve as a Public Director in accordance with Rule 201(d). No group or class of participants may dominate or exercise disproportionate influence on an Appeal Panel. An individual may not serve on an Appeal Panel if the individual has a relationship of a type described in Rule 205(a)(i) or was involved in the adjudication of any other stage of the same proceeding. The appeals proceeding shall be conducted before all members of the Appeal Panel.

(e) Within ten days of being notified of the appointment of an Appeal Panel, either party may seek to disqualify any individual named to the Appeal Panel for the reasons listed in Rule 205(a)(i) or for any other reasonable grounds, by serving written notice on the chief legal officer of the Company. By not timely filing a request for disqualification, the parties will be deemed to have waived any objection to the composition of the Appeal Panel. The chief legal officer will decide the merits of any such objection in his or her sole discretion. Any such decision will be final and not subject to appeal.

(f) The Appeal Panel, by a majority vote, shall determine whether sufficient grounds exist to hold a hearing on the appeal. The Appeal Panel may only determine that sufficient grounds exist if there is a reasonable basis to conclude that the appellant may be able to demonstrate that the decision was arbitrary, capricious, an abuse of discretion, or

not in accordance with the Rules, or that the decision exceeded the authority or jurisdiction of the Disciplinary Panel or the Company. The Appeal Panel's determination shall be based solely upon the materials submitted by the appellant pursuant to paragraph (c). The Appeal Panel's determination of whether to hold a hearing on an appeal shall be final. If the Appeal Panel grants the appellant's request for a hearing, the appellee may file and serve its brief in opposition not more than 20 days after the issuance of the determination of the Appeal Panel.

(g) An Appeal Panel may hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially unless the chairman of the Appeal Panel decides that the hearing, or any part of it, should be held in public after giving each appellant the opportunity to present its, his, or her views on holding a public hearing. Notwithstanding the confidentiality of hearings, an Appeal Panel may appoint individuals to attend any hearing and assist in the deliberations if such individuals agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeal Panel will not be bound by any evidentiary or procedural rules or law.

(h) Except for good cause, the Appeal Panel will only consider on appeal the record before the Disciplinary Panel, the written exceptions filed by the parties, and the oral or written arguments of the parties. The Appeal Panel may only consider new evidence when it is satisfied that good cause exists as to why the evidence was not introduced during a prior stage of the Disciplinary Proceeding. In connection with any appeal, the Compliance Department will furnish to the Appeal Panel a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal, and briefs filed to support and oppose the appeal.

(i) After completing its review, the Appeal Panel may affirm, modify, or reverse any order of Disciplinary Proceedings under appeal in whole or in part, including increasing, decreasing, or eliminating any sanction or remedy imposed; imposing any other sanction or remedy authorized by the Rules; or remanding the matter to the same or a different Disciplinary Panel for further Disciplinary Proceedings. The Appeal Panel may order a new hearing for good cause, or if the Appeal Panel deems it appropriate.

(j) Promptly following the appeal proceeding, the Appeal Panel will issue a written decision and provide a copy to the parties. The written decision issued by the Appeal Panel must adhere to all the requirements of Rule 713(b), to the extent that a different conclusion is reached from that issued by the Disciplinary Panel. A decision by a majority of the Appeal Panel will constitute the decision of the Appeal Panel.

(k) An Appeal Panel's written decision on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies, and costs, and the effective date of any sanction, remedy, or cost) will be the final action of the Company, and will not be subject to appeal within the Company. Disciplinary sanctions imposed by the Company shall be commensurate with the violations committed, and shall be clearly sufficient to deter recidivism or similar violations by other market participants. In

addition, the respondent's disciplinary history will be taken into account in determining the appropriate sanction.

717. Summary Imposition of Fines Relating to Submission of Records

(a) The Company may fine a Participant, Sponsored Access Firm or Registered Trader using a summary fine schedule for a violation of Rules regarding timely submission of accurate records.

(b) A warning letter may be issued for first-time violations, provided that no more than one warning letter may be issued per any rolling 12-month period for the same violation.

718. Summary Suspensions

(a) Notwithstanding anything in the Rules to the contrary, the Chief Compliance Officer, or his or her designee, may summarily suspend a Participant's right to access the Trading Platform or the association of a Sponsored Access Firm or Registered Trader with a Participant, or take other summary action against any Participant, Sponsored Access Firm or Registered Trader, or suspend access to the Trading Platform of any other Person subject to the Company's jurisdiction, if the Company reasonably believes such immediate action is necessary to protect the best interest of the marketplace.

(b) Whenever summary action pursuant to paragraph (a) above is proposed, the Company will, if practicable, serve the party against whom the action is contemplated with written notice. If prior notice is not practicable, the Company will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The notice will be prepared by the Compliance Department, and such notice will state the action, briefly state the reasons for the action, and state the effective time, date, and duration of the action taken. The notice shall be served on the respondent in accordance with Rule 707.

(c) The respondent shall be advised of its right to a hearing before a Disciplinary Panel pursuant to Rules 709-713, by filing a notice of intent with the Compliance Department within ten business days of service of notice. Filing of a notice of intent pursuant to this Rule shall not stay the Chief Compliance Officer's decision to deny access. The respondent shall have the right to be represented by legal counsel, or any other representative of its choosing and at its own expense.

(d) Promptly but no later than 20 days after filing of a notice of intent, a Disciplinary Panel will conduct a hearing concerning the summary suspension. Promptly after such hearing, the Disciplinary Panel will render a written decision based on the weight of the evidence contained in the record of the proceeding. The decision of a majority of the Disciplinary Panel will be the decision of the Disciplinary Panel. The Company will serve copies of the written decision of the Disciplinary Panel on the respondent and the Compliance Department. The written decision will include the following information:

(i) a description of, and reasons for, the summary action taken;

(ii) a summary of the evidence produced at the hearing;

(iii) a statement of findings of fact and conclusions;

(iv) a determination that the summary action should be affirmed, modified, or reversed; and

(v) a declaration of any action to be taken pursuant to the determination, and the effective date and duration of such action.

(e) Any decision of a Disciplinary Panel pursuant to this Rule 718 will be the final action of the Company, and not subject to appeal within the Company upon serving the respondent with a copy of the decision.

(f) At the request of the Company, a respondent who is summarily suspended pursuant to this Rule 718 must provide access to and/or copies of books and records over which the respondent has access or control, and must furnish information to, or appear or testify before, the Company in connection with the enforcement of any Rule of the Company.

719. Rights and Responsibilities After Suspension or Termination

(a) When the right of a Participant, Sponsored Access Firm or Registered Trader to access the Trading Platform is suspended for a period of 12 months or less, none of its rights will apply during the period of the suspension, except for (i) any right such Person may have to receive rebates or similar payments that were earned, prior to the suspension period, pursuant to Rule 524, provided that such rebates or payments are not directly related to conduct giving rise to such suspension; or (ii) the right of the Participant, Sponsored Access Firm or Registered Trader to assert claims against others as provided in the Rules. Any such suspension will not relieve the Participant, Sponsored Access Firm or Registered Trader of its obligations under the Rules to perform any transactions entered into before the suspension, or for any Company fees, costs, or charges incurred during the suspension. The Company may discipline a suspended Participant or Sponsored Access Firm or Registered Trader under this Chapter 7 for any violation of Applicable Law committed by the Participant before, during, or after the suspension.

(b) When the right of a Participant, Sponsored Access Firm or Registered Trader to access the Trading Platform is terminated, all of its rights will terminate, except for the right of the Participant or Sponsored Access Firm or Registered Trader in question to assert claims against others, as provided in the Rules. A terminated Participant, Sponsored Access Firm or Registered Trader may only seek to reinstate its right to access the Trading Platform by filing an application in accordance with Rule 303. The Company will not consider the application of a terminated Participant, Sponsored Access Firm or Registered Trader if such Participant, Sponsored Access Firm or Registered Trader has failed to appear at Disciplinary Proceedings without good cause, or has impeded the progress of Disciplinary Proceedings.

(c) A suspended or terminated Participant or Sponsored Access Firm or Registered Trader remains subject to the Rules and the jurisdiction of the Company for acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, investigation, Disciplinary Proceeding, appeal of Disciplinary Proceedings, summary suspension, or other summary action as if the suspended or terminated Participant, Sponsored Access Firm or Registered Trader still had the right to access the Trading Platform.

720. Notice to the Respondent, the CFTC, and the Public

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

CHAPTER 8
ARBITRATION

801. General

(a) Participants, Sponsored Access Firms and Registered Traders shall arbitrate through the NFA arbitration program all disputes, controversies or claims between or among themselves that relate to or arise out of any Swap or otherwise arise out of one or more transactions made or to be made pursuant to the Rules and that are based upon facts and circumstances that occurred at a time when the parties were Participants, Sponsored Access Firms or Registered Traders.

(b) Except as otherwise provided in the Rules, if required by the applicable agreement between a Participant and a Customer, pursuant to which a Customer has provided its prior written consent in accordance with CFTC Regulation 166.5 or, in the absence of a written agreement, if the relevant Customer otherwise agrees to arbitrate in accordance with CFTC Regulation 166.5 (where applicable), Participant must arbitrate with their respective Customers all disputes, controversies or claims that relate to or arise out of any Swap or otherwise arise out of one or more transactions made or to be made pursuant to the Rules.

(c) Notwithstanding the foregoing, this Rule 801 does not apply to disputes between Participants, Sponsored Access Firms or Registered Traders that: (i) such Persons are required by the rules of a Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory Organization; or (ii) that such Persons have, by valid and binding agreement, committed to arbitrate or litigate in a forum other than NFA.

(d) A Participant, Sponsored Access Firm or Registered Trader that initiates arbitration or litigation relating to or arising out of any Swap or otherwise arising out of transactions made or to be made pursuant to the Rules shall submit notice thereof to the Company.

802. Forum and Arbitration Rules

(a) NFA will conduct arbitrations described in Rule 801(a) pursuant to NFA's member arbitration rules, as if each Participant or Sponsored Access Firm that is party to such arbitration were an "NFA Member," and references in such member arbitration rules to the "Associates" of an "NFA Member" shall mean and include any Sponsored Access Firm and any individual who is employed by or is an agent of a Participant or Registered Trader and who has been authorized to access the Trading Platform under the Rules.

(b) NFA will conduct arbitrations described in Rule 801(a) pursuant to NFA's rules governing the arbitration of customer disputes.

803. Penalties

A failure on the part of a Participant, Sponsored Access Firm or Registered Trader 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 this required to arbitrated pursuant to this Chapter 8, violates the Rules and shall subject such Person to Disciplinary Proceedings pursuant to Chapter 7. A Participant, Sponsored Access Firm or Registered Trader that does not arbitrate a dispute through the NFA arbitration program pursuant to Rule 801(c) shall not be deemed to have violated these Rules.

804. Claims Relating to Trade Cancellations

All claims relating to trade cancellations pursuant to Rule 538 shall be arbitrated in accordance with this Chapter 8.

CHAPTER 9
MISCELLANEOUS

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

(a) No Company official may trade, directly or indirectly, (i) any Swap or any related financial instrument, or (ii) any swap or financial instrument where such Company official has access to material non-public information concerning such swap or financial instrument.

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

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

(ii) service by such Company official as an executor or administrator of an estate;

(iii) service by such Company official in any other fiduciary capacity, such as an officer of a charitable organization, in which such Company official receives no pecuniary benefit from the trading of swaps or other financial instruments;

(iv) trading in swaps or other financial instruments executed on or pursuant to the rules of a swap execution facility, a designated contract market or a national securities exchange under circumstances in which such Company 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 Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) may determine.

For the avoidance of doubt, participation by a Company official in a retirement plan sponsored by the Company shall not be deemed to constitute trading directly or indirectly in a Swap or other financial instrument, notwithstanding such plan's trading of Swaps or other financial instruments.

(c) Any Company official that has received an exemption under paragraph (b) must:

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

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

(d) Company officials, agents and independent contractors of the Company are prohibited from disclosing material non-public information obtained as a result of their employment, agency relationship or engagement with the Company where the Company official, agent or independent contractor expected or should have reasonably expected that the information disclosed may assist a Person in trading any Swap, any swap traded on another swap execution facility or other market, or any related underlying commodity or security.

(e) Terms used in this Rule 901 and not otherwise defined in the rules shall have the meaning set forth in CFTC Regulations 1.3 and 1.59.

902. Gifts and Gratuities

Except with the prior written approval of the Chief Compliance Officer, no Participant shall, directly or indirectly, give or permit to be given anything of value, including gifts and gratuities, to a Company Official in an amount that exceeds the maximum value permitted by the Company's gifts and entertainment policy as in force from time to time.

903. Market Data

(a) Subject to each Participant's rights in its Participant Data, the Company owns 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. Participants, Sponsored Access Firms and other Persons affiliated with any of the foregoing may not distribute, sell or retransmit Market Data to any third party without the consent of the Company, provided that each Participant retains such rights as it may enjoy under Applicable Law with respect to Participant Data solely in the form such Participant Data was submitted to the Company by such Participant.

(b) Unless a Participant or Sponsored Access Firm otherwise provides written, non-electronic notice to the General Counsel of the Company, the Company may use for business or marketing purposes data and information that has been collected or received from a Participant, Sponsored Access Firm or Registered Trader for the purpose of fulfilling the Company's regulatory obligations. The Company may share such data or information with one or more registered entities (as such term is defined in CFTC Regulations). Access to the Company will not be conditioned upon the use of such data or information for business or marketing purposes.

(c) Notwithstanding any other provision of this Rule 903, each Participant hereby grants the Company a non-exclusive, perpetual, freely transferable, irrevocable, worldwide and royalty-free license to any and all rights as such Participant may have in and to Participant Data, including, but not limited to, the right to use, distribute, sub-license, disclose and sell Participant Data, in any manner, media and jurisdiction, for the benefit of the Company and/or its Affiliates; provided that, except as may otherwise be permitted by Rule 905, in any written agreement between the Company and such Person, or as may be required by Applicable Law, the Company shall not disclose Participant Data other than on an aggregated basis that does not directly or indirectly identify any Participant, Sponsored Access Firm or Registered Trader.

(d) Each Participant, Sponsored Access Firm and other Persons affiliated with any of the foregoing hereby acknowledges and agrees that the Company owns and shall retain all right, title and interest in and to the Trading Platform, 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 copyright, trade mark, service mark, trade secret, trade name, data or database rights, design rights, moral rights, (i) inventions, whether or not capable or protection by patent or registration, rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, patent, and other intellectual property and ownership rights, including applications for the grant of any of the same, in or to the Trading Platform and all other related proprietary rights of the Company and/or any of its Affiliates (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind transmitted by means of any of the foregoing, "**Proprietary Information**"). Each Participant, on behalf of itself and each of its Affiliates, Sponsored Access Firms 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 Company. Each Participant acknowledges and agrees that it shall not and shall not permit its Affiliates, Sponsored Access Firms 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 Trading Platform or the Proprietary Information. Each Participant, further agrees to and to cause each of its Affiliates, Sponsored Access Firms 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 Trading Platform or any Proprietary Information.

904. Recording of Communications

The Company or the Regulatory Services Provider may record conversations and retain copies of electronic communications between Company officials and Participants, Sponsored Access Firms, Registered Traders and Clearing Firms. Any such recordings will be retained by the Company or the Regulatory Services Provider in such manner and for such periods of time as the Company may deem necessary or appropriate, including

as may be required by Applicable Law, but the Company assumes no obligation to retain any such recordings. The Company and/or the Regulatory Services Provider may disclose such recordings as required by Applicable Law or upon the request of any Regulatory Authority. This Rule 904 shall be deemed to constitute the consent of each Participant, Sponsored Access Firm and Registered Trader to such recording and a waiver of any tone or other notice requirement in the State or country of such Person's residence, place of organization or place of business..

905. Confidentiality

Except as provided in Rule 903, all information provided by a Participant to the Company 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 Regulatory Authority, if the Company is requested or legally required to do so by such Regulatory Authority;

(c) pursuant to legal process;

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

(e) subject to appropriate confidentiality requirements, to any Person providing services to the Company, including but not limited to the Regulatory Services Provider;

(f) to the Board, any committee, Company officials, attorneys and auditors, and to agents and independent contractors that have been engaged by the Company who require such information in connection with the discharge of their duties to the Company; and

(g) as otherwise permitted under the Rules.

906. Force Majeure

Notwithstanding any other provision of the rules, the Company 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 circumstances that the Company determines, in its sole discretion, may have an adverse effect upon the functions and facilities of the Company, including, but not limited to, acts of God, fire or other natural disasters, bomb threats, acts of terrorism or war or severely inclement weather.

907. Extension or Waiver of Rules

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

908. Effect of Amendment, Repeal or New Rule

The Company may, in compliance with the CEA and CFTC Regulations, amend or repeal any Rule and/or adopt new Rules. Any such amendment or repeal of a Rule or adoption of a new Rule, shall, upon the effective date of such amendment, repeal or adoption, as applicable, be binding on all Persons subject to the jurisdiction of the Company (regardless of when any such Person became subject to the Company's jurisdiction) and all Swaps (regardless of whether any such Swap was entered into before, on or after such effective date).

909. Signatures

Rather than rely on an original signature, the Company may elect to rely on a signature that is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, photocopying, electronic mail, or electronic data interchange) as if it were (and the signature shall be considered and have the same effect as) a valid and binding original.

910. Governing Law; Legal Proceedings

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

(b) Any action, suit or proceeding against the Company, its officers, directors, limited liability company members, employees, agents, or any member of any committee must be brought within 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 Borough of Manhattan in the City of New York. Each Participant expressly consents, for itself and its Sponsored Access Firms, 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, Sponsored Access Firm or Registered Trader or an Affiliate of any of the foregoing fails to prevail in a lawsuit or other legal proceeding instituted by such Person against the Company or any Affiliate of the Company or any of their respective officers, directors, equity holders, employees, agents, or any member of any committee, and related to the business of the Company, such Person shall pay to the Company or to such Affiliate all reasonable expenses, including attorneys' fees, incurred by the Company in the defense of such proceeding. This paragraph (c) shall

not apply to Company Disciplinary Proceedings, appeals thereof, or an instance in which the Board has granted a waiver of the provisions hereof.

911. Emergencies

(a) During an Emergency, the Board may implement temporary emergency procedures and rules ("Emergency Rules"), subject to Applicable Law. If the Chief Executive Officer (or, in the event that the Chief Executive Officer is unavailable, the Chief Operating Officer) determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, the Chief Executive Officer (or, if applicable, the Chief Operating Officer) shall have the authority, without Board action, to implement Emergency Rules with respect to such Emergency as he or she deems necessary or appropriate to respond to such Emergency.

(b) Emergency Rules may require or authorize the Company, the Board, any committee, the Chief Executive Officer (or, if the Chief Executive Officer is unavailable, the Chief Operating Officer) or any other Officer of the Company to take actions necessary or appropriate to respond to the Emergency, including:

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

(ii) extending, limiting or changing Trading Hours for one or more Swaps;

(iii) ordering the liquidation of Swaps or the reduction of positions;

(iv) temporarily modifying or suspending any provision of the Rules,

(v) imposing or modifying trading limits, price limits or position limits;

(vi) requiring additional margin to be collected from Customers;

(vii) any other action, if so directed by the CFTC.

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

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

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

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

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

(g) If the Emergency is related to a Swap that is fungible with financial products traded on another platform, the Company will attempt to coordinate its response with any directions received from the CFTC.

912. Information-Sharing Arrangements

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

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

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

(c) The Company may disclose to any Person or entity information concerning or associated with a Participant or other Person that the Company believes is necessary and appropriate in exercising a legal or regulatory function, whether or not a formal arrangement governing the disclosure exists or a request for information was made and notwithstanding anything to the contrary in Rule 901.

913. Regulatory Services Provider

(a) The Company may contract with a Regulatory Services Provider to provide certain regulatory services to the Company pursuant to a Regulatory Services Agreement. Any of the powers or functions of the Company 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 Company and such Regulatory Services Provider may mutually agree. 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 Company may provide information to such Regulatory Services Provider in connection with the performance by such Regulatory Services Provider of those functions.

(b) The Company shall retain ultimate decision-making authority with respect to any powers or functions that are delegated to a Regulatory Services Provider.

914. LIMITATION OF LIABILITY; NO WARRANTIES

EXCEPT AS PROVIDED BELOW, AND EXCEPT IN INSTANCES IN WHICH THE DISCLAIMING PARTY (DEFINED BELOW) HAS BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE ENGAGED IN FRAUD OR WILLFUL MISCONDUCT, IN WHICH CASE THE DISCLAIMING PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 914, NEITHER THE COMPANY, NOR ANY AFFILIATE OF THE COMPANY, NOR ANY OF THEIR RESPECTIVE MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, EQUITYHOLDERS, AGENTS, CONSULTANTS OR SERVICE PROVIDERS (INCLUDING, WITHOUT LIMITATION, ANY REGULATORY SERVICES PROVIDER), NOR ANY MEMBER OF ANY COMMITTEE OR OTHER GOVERNING BODY OF ANY AFFILIATE OF THE COMPANY (EACH OF THE FOREGOING, AS APPLICABLE, THE "DISCLAIMING PARTY" AND, COLLECTIVELY, "DISCLAIMING PARTIES"), SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES ARISING OUT OF OR IN CONNECTION WITH:

(i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF THE COMPANY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION, ELECTRONIC ORDER ENTRY AND DELIVERY, TRADING THROUGH ANY MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, SPONSORED ACCESS FIRMS OR REGISTERED TRADERS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE AND FIRMWARE RELATING THERETO; OR

(ii) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF ANY SYSTEM OR SERVICE OF THE COMPANY, OR SERVICES,

EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR

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

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

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM IS BASED ON BREACH OF CONTRACT, TORT, INCLUDING, WITHOUT LIMITATION, NEGLIGENCE, STRICT LIABILITY, NEGLIGENT MISREPRESENTATION, RESTITUTION, BREACH OF STATUTORY DUTY, BREACH OF WARRANTY OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD-PARTY CLAIM.

(b) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE COMPANY OR ANY OTHER DISCLAIMING PARTY RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE TRADING PLATFORM AND THE COMPANY HEREBY SPECIFICALLY DISCLAIMS, OVERRIDES AND EXCLUDES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, CONDITIONS, OTHER CONTRACTUAL TERMS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS, IMPLIED OR STATUTORY, ARISING BY LAW, CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS BY THE COMPANY OR ANY OTHER DISCLAIMING PARTY OR OTHERWISE (INCLUDING BUT NOT LIMITED TO, AS TO TITLE, SATISFACTORY QUALITY, ACCURACY, COMPLETENESS, UNINTERRUPTED USE, NON-INFRINGEMENT, TIMELINESS, TRUTHFULNESS, SEQUENCE AND ANY IMPLIED WARRANTIES, CONDITIONS AND OTHER CONTRACTUAL TERMS ARISING FROM TRANSACTION USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE) RELATING TO ANY SYSTEMS OR SERVICES OF THE COMPANY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING, WITHOUT LIMITATION, THE TRADING PLATFORM.

(c) NOTWITHSTANDING THE FOREGOING, THE COMPANY MAY ASSUME RESPONSIBILITY FOR DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OF A DISCLAIMING PARTY. THE COMPANY'S TOTAL COMBINED AGGREGATE LIABILITIES SHALL NOT IN SUCH CIRCUMSTANCES EXCEED $100,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES ON A SINGLE CALENDAR DAY; $200,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND $2,000,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY OR SINGLE MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.

(d) Under no circumstances shall the Company be liable to a Participant or any other Person for any indirect, special, incidental, consequential, exemplary loss or punitive damages of any kind, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties or otherwise, including, without limitation, any loss of revenue, loss of actual or anticipated profits, loss of contracts, loss of the use of money, loss of anticipated savings, loss of business, loss of opportunity, loss of market share, loss of goodwill, loss of reputation or loss of, damage to or corruption of data, however suffered or incurred, regardless of whether the Company has been advised of the possibility of such damages or whether such damages otherwise could have been foreseen or prevented.

(e) Any dispute arising out of the use of the systems or services of the Company or services, equipment, or facilities used to support such systems or services, including, without limitation, the Trading Platform, in which one or more Disclaiming Parties is a party shall be arbitrated pursuant to the rules in Chapter 8, and references to a "Participant" shall, to the extent relevant, be deemed for such purpose to mean and include the Disclaiming Parties. Any such claim against a Disclaiming Party shall be brought within one year from the time that a cause of action has accrued. This paragraph (e) shall in no way be construed to create a cause of action and shall not authorize an action that would otherwise be prohibited by the Rules. If for any reason, a court of competent jurisdiction finds that a dispute is not arbitrable, such dispute may be litigated only in accordance with Rule 910.

915. Communications To and From the Company

(a) Each Participant, Sponsored Access Firm and Clearing Firm must provide the Company with its current electronic mail address and telephone number and the electronic mail address and telephone number of (i) in the case of a Participant or Sponsored Access Firm, any person who may use a Trader ID assigned to such Participant or Sponsored Access Firm or and (ii) in the case of a Clearing Firm, any person who may set risk controls with respect to any Participant for which such Clearing Firm provides clearing services with respect to Cleared Swaps. Each Participant, Sponsored Access Firm and Clearing Firm must immediately (and in any event within 24 hours) update the contact information described in this paragraph (a) whenever it changes.

(b) Communications from the Company to Participants, Sponsored Access Firms and Clearing Firms may be transmitted by electronic mail or posted on the Company's website. Communications made to a Participant, Sponsored Access Firm or Clearing Firm shall also be deemed to have been made to its Registered Traders and other employees and agents, and each Participant, Registered Trader and Clearing Firm shall be responsible for conveying such communications to such Persons as appropriate.

CHAPTER 10
CLEARED AND UNCLEARED SWAPS

1001. Submission of Contracts to Derivatives Clearing Organization

(a) Each Participant and Sponsored Access Firm is responsible for the prompt submission to a Derivatives Clearing Organization, directly or through a Clearing Firm, of all Cleared Swaps that have been entered into for its account. The Company is authorized, but is not obligated, to submit Cleared Swaps to a Derivatives Clearing Organization on behalf of the counterparties to such Swaps and, if different, their respective Clearing Firms.

(b) If a Cleared Swap is submitted to, but not accepted for clearing by, a Derivatives Clearing Organization within the time set forth in its rules, the Cleared Swap shall be deemed to be void *ab initio* and none of the parties thereto or the Company shall have any further responsibility therefor under these Rules. The Company shall in such a case notify the relevant Swap Data Repository that the transaction was not accepted for clearing.

1002. Clearing Firm Guarantee

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

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

(c) Each Participant and Sponsored Access Firm must assist its Clearing Firm and the Derivatives Clearing Organization in the clearing of its Cleared Swaps transactions.

1003. Uncleared Swaps

A Participant or Sponsored Access Firm may enter into an Uncleared Swap only with a counterparty with which such Participant or Sponsored Access Firm has swap trading relationship documentation that meets the requirements of Applicable Law. In the event that the parties to an Uncleared Swap have not previously entered into such documentation, the Uncleared Swap shall be void *ab initio*. Upon becoming aware that

an Uncleared Swap is void, a parties to such Uncleared Swap shall promptly notify the other party and the Company and, if it has already submitted a report concerning such Uncleared Swap to an Swap Data Repository, the Company shall submit a correction notifying such SDR that the original report was erroneous.

1004. Clearing Firm Requirements; Liquidation of Positions by Clearing Firm

A Clearing Firm that seeks to effect transactions on the Trading System for its own account or the account of any Customer must be a Participant. Notwithstanding the foregoing, a Clearing Firm that is not also a Participant may trade an account on behalf of a Participant, Sponsored Access Firm or Customer solely for the purpose of liquidating contracts on the Company carried by such Clearing Firm on behalf of a Participant, Sponsored Access Firm or Customer that has failed to perform its obligations to such Clearing Firm.

CHAPTER 11
CONTRACTS

1101. Swap Specifications

The Company will permit trading in Swaps that will be listed by the Company and submitted to the CFTC for self-certification from time to time.

1102. Rules of the Derivatives Clearing Organization

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

(b) Where relevant, delivery of the Commodity underlying a Swap upon termination of such Swap and payment of the price in respect thereof shall be made in accordance with the rules of the applicable Derivatives Clearing Organization.