



Tassat Derivatives LLC

Rulebook

November 6, 2019

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CHAPTER 1 DEFINITIONS

RULE 101. Definitions

When used in this Rulebook the following terms shall have the respective meanings as follows:

“Admin ID” means a unique identifier assigned by the Exchange to an Admin User, which enables the Exchange to identify the natural person accessing the administrative functionality of the Platform.

“Administrative User” or “Admin User” means a natural person of the Participant, Sponsored Access Customer, or Settlement Agent, designated by the Participant, Sponsored Access Customer, or Settlement Agent, to access and use the Platform for administrative purposes only.

“Affiliate” means, with respect to any juridical entity, any Person that directly or indirectly through one or more intermediaries, controls such entity, is controlled by such entity, or is under common control with such entity.

“Amended Final Notice” shall have the meaning set forth in Rule 1210.

“Appeal Panel” means a panel comprised of a chair and two individuals appointed by the Board to consider appeals under Chapter 6.

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

“Authorized Contact” has the meaning set forth in Rule 538(a)(ii).

“Authorized Representative” has the meaning set forth in Rule 310.

“Authorized Trader” means (a) with respect to a Participant, a natural person who is either an employee of, or is an agent of, such Participant and who is duly authorized to exercise Trading Privileges of such Participant, and (b) with respect to a Sponsored Access Customer, a natural person who is either an employee of, or is an agent of, such Sponsored Access Customer and who is duly authorized to exercise Trading Access of such Sponsored Access Customer granted by the Sponsoring Participant.

“Authorized User” means a natural person that is assigned a User ID or Admin ID.

“Board” means the board of managers of the Exchange, which manages the Exchange and is constituted from time to time in accordance with the Operating Agreement.

“Bunched Order” is a single Order entered on the Platform on behalf of multiple Clients.

“Business Day” means a day on which the Exchange is open for trading as shall be established, and may be revised from time to time, by the Exchange pursuant to Rule 503.

“CFTC” or “Commission” means the U.S. Commodity Futures Trading Commission.

“CFTC Regulations” means the rules and regulations promulgated by the CFTC, as amended.

“Chief Compliance Officer” or “CCO” means the individual appointed by the Board as the Exchange’s chief compliance officer for the SEF Trading System.

“Chief Executive Officer” means the individual appointed by the Board as the Exchange’s chief executive officer.

“Client” means a person that has granted investment discretion to a Participant, Sponsored Access Customer or Direct Access Customer to enter Orders, execute Transactions and provide pre-execution and post-execution allocation services on, or through the Platform, in the name of and on behalf of such person.

“Commodity Exchange Act” or “CEA” means the Commodity Exchange Act, as amended from time to time.

“Confirmation” has the meaning set forth in Rule 546.

“Contract” means any contract, agreement, or transaction approved for trading on the Exchange and pursuant to the Rules.

“Contract Specifications” means, with respect to any Contract, the rules or other trading protocols containing specifications for such Contract, as adopted, amended, supplemented or otherwise modified from time to time by the Exchange.

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

“Control” as used in the context of Rule 539 regarding RFQ for Required Transactions means an account for which a Client has granted trading discretion to another person via power of attorney or other written agreement to effect transactions without their consent.

“Control Desk” has the meaning set forth in Rule 538.

“Core RFQ” is an application on the SEF Trading System that supports RFQ as a method of execution for certain Contracts..

“Cover” has the meaning set forth in Rule 539(b)(i)(D)

“Cross Trade” has the meaning set forth in Rule 520.

“CTI” means the customer type indicator set forth in Rule 522(d).

“Customer” means any person for whom a Participant transacts on behalf of, on or through the Platform, on a non-discretionary basis.

“Daily Settlement Price” shall mean the price determined pursuant to Rule 1208 and the *Daily Settlement Price Methodology for Bitcoin Swap Contracts* (available on the Exchange’s Web Site) each Trading Day by the Exchange for each Maturity Date. The Daily Settlement Price may go out four decimal places and may be a price that is not a minimum increment for the Contract.

“Definitive Final Notice” shall have the meaning set forth in Rule 1210.

“Delivery” shall mean the transfer of the Reference Asset by the seller to the Delivery Receiving Wallet, evidenced by ten confirmations of such transfer in the blockchain.

“Delivery Commencement Notice” shall have the meaning set forth in Rule 1210.

“Delivery Dispute Notice” shall mean written notice sent by a counterparty to the Settlement Agent that describes, with sufficient detail, the nature of such counterparty’s good faith belief that Final Notice is incorrect.

“Delivery Funding Confirmation” shall have the meaning set forth in Rule 1210.

“Delivery Readiness Notice” shall have the meaning set forth in Rule 1210.

“Delivery Receiving Wallet” shall mean the digital wallet identified by the buyer as the digital wallet into which the Reference Asset shall be transferred on the Settlement Date, by seller, in fulfillment of delivery obligations related to a Transaction in a Digital Asset Deliverable Swap Product.

“De-registration Basis” means, with respect to a Person, any basis upon which the CFTC could, subject to applicable procedural requirements, refuse to register, register conditionally, or suspend or place restrictions upon the registration of such Person under § 8a(2) of the CEA.

“Designated Self-Regulatory Organization” or “DSRO” shall, unless otherwise provided, have the meaning attributed to such term in CFTC Regulation § 1.3(ff).

“Direct Access Customer” means a person for whom a Participant has agreed to provide Trading Access using the Firm ID of the Participant. A Direct Access Customer may trade for its own account or for Clients.

“Direct Access Trader” means a natural person who is either an employee of, or an agent of, a Direct Access Customer and who is duly authorized to exercise Trading Access granted to a Direct Access Customer.

“Director” means any member of the Board.

“Disciplinary Action” has the meaning set forth in Rule 601(c).

“Disciplinary Offense” has the meaning set forth in CFTC Regulation § 1.63(a)(6).

“Disciplinary Panel” means a Review Panel or a Hearing Panel appointed by the Board at the recommendation of the Chief Compliance Officer to act in an adjudicative role and fulfill various adjudicative responsibilities and duties described in Chapter 6.

“DOJ” means the United States Department of Justice.

“DTCC” means DTCC Data Repository (U.S.) LLC.

“Electronic Audit Trail” has the meaning set forth in Rule 522(b)(i).

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

“Emergency” means any occurrence or circumstance that in the opinion of the Exchange’s governing board, or a person or persons duly authorized to issue such an opinion on behalf of the Exchange’s governing board under circumstances and pursuant to procedures that are specified by rule, requires immediate action, and threatens, or may threaten, such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any agreements, contracts, swaps or transactions or the timely collection and payment of funds in connection with settlement, including:

- (i) any manipulative or attempted manipulative activity;
- (ii) any actual, attempted or threatened corner, squeeze, congestion, or undue concentration of positions;
- (iii) any circumstance which may materially affect the performance of agreements, contracts, swaps, or transactions, including failure of the payment system or the bankruptcy or insolvency of any Participant, or Settlement Agent;
- (iv) any action taken by any governmental body, or any other registered entity, board of trade, market or facility which may have a direct impact on trading or clearing and settlement;
- (v) any other circumstance that may have a severe, adverse effect upon the functioning of the Exchange.

“Emergency Action” has the meaning set forth in Rule 214(a).

“Emergency Rules” has the meaning set forth in Rule 214(a).

“Emergency Disciplinary Action” has the meaning set forth in Rule 618(a).

“End-User Clearing Exception” means the exception from the clearing requirement set forth in § 2(h)(7) of the CEA and related CFTC regulations.

“End-User Transaction” shall mean a Transaction exempt from the clearing requirement of § 2(h)(1) of the CEA because one of the counterparties to the Transaction is entitled to and has elected to use the End-User Clearing Exception.

“Exchange” or “Tassat” means Tassat Derivatives LLC.

“Exchange Access Committee” means the committee of the Board constituted in accordance with Rule 207.

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

“Exchange Panel” has the meaning set forth in Rule 212(b).

“Exchange Proceeding” has the meaning set forth in Rule 215(a).

“Exchange Regulation Department” means all Exchange Officials or agents of the Exchange that assist the Exchange in the implementation, surveillance and enforcement of the Rules and Applicable Law.

“Final Decision” has the meaning set forth in CFTC Regulation § 1.63(a)(5).

“Final Notice” shall mean the notice sent by the Settlement Agent to its customers, on the Last Trading Day, pursuant to Rule 1210, that provides the Settlement Agent’s customers with notice of their open Digital Asset Deliverable Swap Product positions and their Settlement obligations.

“Firm ID” means a unique ID assigned by the Exchange to a Participant or to a Sponsored Access Customer, which is used to identify such Participant or such Sponsored Access Customer accessing the Platform.

“Force Majeure Event” means any occurrence beyond a Person’s reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, strikes or labor disputes.

“Futures Commission Merchant” or “FCM” has the meaning set forth in § 1a(28) of the CEA.

“Hearing Panel” means a panel selected in accordance with Rule 610 that is authorized to perform such roles and subject to such obligations as Chapter 6 contemplates.

“Government Agency” means any governmental entity, body or agency of any government (including the United States, a State, or a foreign government).

“Immediate Relation” means, with respect to a natural person, a spouse, parent, child, or sibling of such natural person, in each case, whether by blood, marriage, or adoption, or any person residing in the home of such natural person or an Immediate Relation of such natural person.

“Initial Notice” shall mean the notice sent by the Settlement Agent to its customers, on the Initial Notice Day, pursuant to Rule 1210, that provides the Settlement Agent’s customers with notice of their open Digital Asset Deliverable Swap Product positions and their expected Settlement obligations.

“Initial Notice Day” shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

“Interested Person” has the meaning set forth in Rule 215(a).

“Introducing Broker” or “IB” has the meaning set forth in § 1a(31) of the CEA.

“Investigation” means an investigation conducted by the Exchange Regulation Department pursuant to Chapter 6.

“Investigative Report” has the meaning set forth in Rule 603(b).

“Independent Software Vendor” or “ISV” means a person that provides a Participants or Sponsored Access Customers technology other than that of the Exchange that provides order routing, front-end trading applications, aggregator functionality or a combination thereof. An ISV is not a Participant and does not execute or intermediate Transactions on the Exchange.

“ISDA” means International Swaps and Derivatives Association

“Last Trading Day” shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

“Last Trading Time” shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

“Limit Order” means an Order to purchase or sell a Contract at a specified price or better.

“Liquidity Provider” means a Participant authorized by the Exchange to participate in a Liquidity Provider program under Rule 317.

“Major Swap Participant” has the meaning set forth in CFTC Regulation § 1.3(qqq).

“Market Data” has the meaning set forth in Rule 904.

“Market Equilibrium Price” has the meaning set forth in Rule 539.

“Market Notice” means a notice published by the Exchange on its Web Site.

“Matched Session” has the meaning set forth in Rule 539.

“Maturity Date” shall have the meaning set forth in Chapter 12 of the Rules.

“Material Relationship”, with respect to a Director, has the meaning set forth in Appendix B to CFTC Part 38, Core Principle 16(b)(2)(ii).

“NFA” means the National Futures Association.

“Non-Primary Contract” shall mean Contract(s) other than Primary Contracts.

“Non-Public Information” means any information that the Exchange owns or otherwise deems confidential, including intellectual property belonging to: (i) the Exchange; or (ii) a third party, which property the Exchange receives on a confidential basis.

“Notice of Charges” shall have the meaning set forth in Rule 606(a).

“Officer” has the meaning attributed to such term in Rule 203.

“Order” means either a bid or an offer for a Contract, including the solicitation of a bid or offer through a Request for Quote.

“Participant” means a person that is granted Trading Privileges by the Exchange to access or utilize the Platform.

“Participant Documentation” means the agreements (together with any applicable schedules, exhibits or appendices thereto required by the Exchange) in form and substance acceptable to the Exchange, which are required to be executed and delivered to the Exchange.

“Permitted Transaction” means any transaction involving a Contract that is not a Required Transaction. Each line item of a Package Transaction must not be subject to the trade execution requirement in § 2(h)(8) of the CEA in order for the Package Transaction to be deemed a Permitted Transaction.

“Person” or “person” has the meaning set forth in § 1a(38) of the CEA.

“Platform” means the Exchange electronic trade execution system that is used for trading Contracts or including any licensed software that is a part thereof from time to time, and any successor electronic trading system thereto.

“Pre-Settlement Day” shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

“Primary Contract” shall mean the Contract(s) having a Maturity Date closest to the Settlement Date.

“Prime Broker” means a Person that agrees to permit a Participant to enter Orders on the Prime Broker’s behalf for the risk of the Prime Broker, and where the Participant (for itself or on behalf of its Customer or Client) intends to enter into a back-to-back transaction with the Prime Broker, as the case may be, pursuant to a Settlement Services Agreement between the parties providing for this limited agency relationship.

“Prime Broker Trade” means an Uncleared Transaction executed on the SEF Trading System between a Prime Broker and a counterparty with which the Prime Broker has a Settlement Services Agreement.

“Proprietary Account” has the meaning set forth in CFTC Regulation § 1.3(y).

“Public Director” means a Director who has been found by the Board, on the record, to have no Material Relationships with the Exchange in accordance with Rule 202(e).

“Public Participant” [means a person who would not be disqualified from serving as a Public Director by CFTC Regulation § 40.9(c)(2)] [has the meaning set forth in CFTC Regulation § 40.9(c)(3)].¹

¹ [NTD: Pending final version of Conflicts of Interest Notice of Proposed Rulemaking.]

“Real-Time Data” means swap transaction and pricing data described in Part 43 of CFTC Regulations, including all relevant appendices to Part 43 of the CFTC Regulations.

“Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 208.

“Reporting Counterparty” has the meaning set forth in Rule 545.

“Request for Quote” or “RFQ” means an electronic message transmitted on the Platform by a Requestor soliciting bids or offers for a Contact.

“Requester” means a Person that initiates a RFQ to transmit to other Persons on the SEF Trading System.

“Required Swap Continuation Data” has the meaning given that term in CFTC Regulation 45.1

“Required Swap Creation Data” has the meaning given that term in CFTC Regulation 45.1.

“Required Transaction” means any Transaction involving a swap, either as a single Contract or a Package Transaction, that is subject to the trade execution requirement in § 2(h)(8) of the CEA and that is not a Block Trade or an End-User Transaction.

“Respondent” has the meaning set forth in Rule 539(b)(i).

“Review Panel” means a panel selected in accordance with Rule 610 that is authorized to perform such roles and subject to such obligations as Chapter 6 contemplates.

“Rule” means any term or provision of the Participant Documentation, Rulebook, interpretations, orders, resolutions, advisories, notices, statements of policy, decisions, manuals and directives of the Exchange in part or in whole.

“Rulebook” means this Tassat Derivatives LLC Rulebook.

“SEC” means the U.S. Securities and Exchange Commission.

“Self-Regulatory Action” has the meaning set forth in Rule 215(a).

“Self-Regulatory Organization” or “SRO” shall, unless otherwise provided, have the meaning set forth in CFTC Regulation § 1.3(ee) and, in addition, shall include a Derivatives Clearing Organization.

“Settlement” shall mean the Delivery of Reference Asset and the payment of the Settlement Amount with respect to a Transaction in a Digital Asset Deliverable Swap Product.

“Settlement Agent” shall mean a Person acceptable to the Exchange that (a) provides cash settlement services for Participants and their Customers and/or Clients for final settlement of Digital Asset Products; (b) provides cash settlement services throughout the lifecycle of a Transaction, including margining, if Participants and their Customers and/or Clients are unable to do so, (c) set, monitor, and manage collateral limits for Participants and their Customers and/or Clients on the SEF Trading System, and/or (d) provide prime brokerage services to allow for Participants to enter into Prime Broker Trades on the SEF Trading System if the Settlement Agent is a Prime Broker.

“Settlement Agreement” has the meaning set forth in CFTC Regulation § 1.63(a)(7).

“Settlement Amount” shall mean the amount of Settlement Currency the buyer of the Reference Asset is required to pay to settle a Transaction in a Digital Asset Product.

“Settlement Currency” shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

“Settlement Date” shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

“Settlement Price” means the official daily closing price for a Contract calculated each Business Day and used for all open positions at the close of the daily settlement cycle.

“Settlement Services Agreement” shall mean a previously negotiated free-standing agreement between a Settlement Agent and a Participant, acceptable to the Exchange, governing, without limitation, the execution, margining, performance and settlement of Digital Asset Deliverable Swap Products, including applicable collateral management, credit support and default provisions for such Participant and its Customers and/or Clients.

“Settlement Window” shall mean the trading activity from the period of time beginning at 4:15 pm and ending at 4:30 pm New York local time each Trading Day.

“Serious Disciplinary Offense” means, with respect to a natural person, that such person committed any serious disciplinary offense, such as: (1) was found within the prior 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; (2) entered into a Settlement Agreement within the prior three years in which any of the findings, or in the absence of such findings, any of the acts charged, included a Disciplinary Offense; (3) currently is suspended from trading on any Designated Contract Market, is suspended or expelled from membership with any Self-Regulatory Organization, is serving any sentence or 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 the absence a Settlement Agreement in which any of the findings, or in the absence of such findings, any of the acts charged, included a Disciplinary Offense; (4) currently is 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; (5) currently is subject to or has had imposed on him within the prior three years a CFTC registration revocation or suspension in any capacity for any reason, or has been convicted within the prior three years of any of the felonies listed in §§ 8a(2)(D)(ii) through (iv) of the CEA; or (6) currently is subject to a denial, suspension or disqualification from serving on the disciplinary committee, arbitration panel or governing board of any “self-regulatory organization” as that term is defined in § 3(a)(26) of the Securities Exchange Act of 1934.

“Sponsored Access Customer” means a Person (other than a natural person or an ISV) in respect of which Sponsored Designation has occurred and is continuing.

“Sponsored Designation” has the meaning set forth in Rule 316.

“Sponsoring Participant” means a Participant that is an FCM and in respect of which Sponsored Designation has occurred and is continuing.

“Subject Person” means any Participant, Sponsored Access Customer or Direct Access Customer.

“Swap Data Repository” or “SDR” has the meaning set forth in § 1a(48) of the CEA.

“Swap Dealer” has the meaning set forth in CFTC Regulation § 1.3(ppp).

“Swap Execution Facility” or “SEF” has the meaning set forth in CFTC Regulation § 1.3(rrrr).

“Digital Asset Deliverable Swap Product” shall mean the deliverable Contract described in Rule 1215.

“Tassat Opening Price” shall mean a price that is calculated by the Exchange each Trading Day by taking the sum of (a) Daily Settlement Price from the prior Trading Day and (b) the Tassat Spot Price Change. On the first Trading Day of a newly listed Maturity Date for a Contract, the Daily Settlement Price used in the determination of the Opening Price shall be calculated by the Exchange using market standard cost of carry methodology.

“Digital Asset Products” shall mean the digital asset Contracts listed for trading.

“Tassat Reference Rate” shall mean the Tassat OTC Reference Rate available at <https://www.tassat.com/product/market-data>

“Tassat Spot Price Change” shall mean a number calculated by the Exchange each Trading Day by subtracting (a) the average of Tassat Reference Rate 30 second interval prices during the five minute period beginning 4:25 pm and ending 4:30 pm (New York local time) on the Trading Day prior to the date on which such number is calculated, from (b) the average of the Tassat Reference Rate 30 second interval prices for the five minute time period before the start of Trading Hours.

“Tassat Group” means Tassat Group LLC.

“Tassat Party” has the meaning set forth in Rule 537(a).

“Technology Services Agreement” means the agreement(s) between the Exchange and the Technology Services Provider whereby technology services are provided to the Exchange.

“Technology Services Provider” means the organization, if any, which provides technology services to the Exchange.

“Trading Access” shall mean the ability of (a) a Direct Access Customer to transmit Orders, RFQs and respond to RFQs, and execute Transactions electronically on the Exchange via access to a system provided by a Participant and (b) a Sponsored Access Customer to access the Platform directly by means of the Trading Privileges of a Sponsoring Participant, including the ability to transmit Orders, RFQs and respond to RFQs, and execute Transactions.

“Trading Day” shall mean a day on which the Exchange’s New York, NY office is open for business.

“Trading Hours” means, for any Business Day the hours during which requests for quotes to enter into a Contract may be made, or Orders may be placed, in each case, as shall be established, and may be revised from time to time, by the Exchange pursuant to Rule 503.

“Trading Privilege” means any right granted to a Participant to transmit Orders, RFQs and respond to RFQs, and execute Transactions on or through the Platform.

“Trading Protocol Committee” means the committee of the Board constituted in accordance with Rule 211.

“Transaction” means any purchase or sale of any Contract or Package Transaction made on the Exchange.

“Triggering Bid” shall have the meaning set forth in Rule 1206.

“Triggering Event” shall mean a Triggering Bid or a Triggering Offer.

“Triggering Offer” shall have the meaning set forth in Rule 1206.

“Uncleared Transaction” means a Contract that is executed on the SEF Trading System that is not intended to be cleared.

“User ID” means a unique identifier assigned by the Exchange to an Authorized Trader, which enables the Exchange to identify the natural person accessing the trading functionality of the Platform.

“Web Site” means the web site maintained by the Exchange at www.tassat.com.

RULE 102. Rules of Construction The following rules of construction shall apply to the Rules:

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

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

- (c) Words denoting a singular number include the plural number where the context permits and vice versa.
- (d) References to any gender include each other gender.
- (e) All references to time are to local time in New York, New York except where expressly provided otherwise.
- (f) The headings are for convenience only and do not affect the construction of the Rules.
- (g) Wherever the word “include”, “includes”, or “including” is used, it shall be deemed to be followed by the words “without limitation”.
- (h) For purposes of constructing the rules in Chapters 4, 5, 6 and 9 of the Rulebook, references to the term “Participant” refer to both of the terms, “Participant” and “Sponsored Access Customer”, and references to the term “Trading Privileges”, if any, refer to both of the terms, “Trading Privileges” and “Trading Access”.
- (i) References in this Rulebook to an SDR shall mean DTCC, unless or until otherwise specified by the Exchange.

RULE 103. Amendment of Rules

New Rules of the Exchange may be adopted, and existing Rules of the Exchange may be amended or repealed, in each instance in the Exchange’s discretion, and at any time. All such new Rules of the Exchange, amendments or repeals will be published on the Web Site in a Market Notice and shall become effective on and from the date specified in the relevant Market Notice in accordance with Applicable Law.

CHAPTER 2
EXCHANGE OWNERSHIP AND GOVERNANCE

RULE 201. Management

The Exchange is a Delaware limited liability company. The management and operation of the Exchange are governed by the Operating Agreement.

RULE 202. Board

(a) The Board shall manage the day to day business operations of the Exchange. The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board or any panel of the Officers related to the day to day business operations of the Exchange.

(b) The Board may act only by the decision of an absolute majority in number of the Directors by vote at a meeting, by unanimous written consent without a meeting, or as otherwise set forth in the Operating Agreement.

(c) At all times, at least 35% 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) Each Director is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Exchange.

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

(f) The members of the Board, including the Public Directors, shall be of good repute and, where applicable, have sufficient expertise in financial services and risk management. The Board membership shall fairly and demonstrably represent the diversity of the interests of Participants and Sponsored Access Customers.

(g) Each Director shall satisfy all fitness standards and otherwise meet all the requirements under the CEA and CFTC Regulations for serving as a director of a SEF.

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

(i) The Board shall review its performance and that of its individual members annually and shall consider periodically using external facilitators for such review.

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

(k) Twenty percent or more of the regular voting members of the Board shall:

(i) be knowledgeable of futures trading or financial regulation or shall be otherwise capable of contributing to governing board deliberations;

- (ii) not be Participants or Sponsored Access Customers;
- (iii) not be employed by the Exchange;
- (iv) not primarily perform services for the Exchange in a capacity other than as a member of the Board; or
- (v) not be officers, principals or employees of a firm that is a Participant either in its own name or through an employee on behalf of such firm.

RULE 203. Officers

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

(b) The Exchange shall notify the CFTC of the appointment or removal of the Chief Compliance Officer within two Business Days of such appointment or removal.

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

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

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

RULE 204. Qualifications of Directors, Disciplinary Panel Members, Appeal Panel Members, Committee Members, Owners and Officers

(a) A Director or Officer must meet the qualifications set forth in the Operating Agreement.

(b) An individual may not serve as a Director, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, if the individual has committed any Serious Disciplinary Offense in the preceding three years.

(c) An individual may not serve as a Director or an Officer, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, or, directly or indirectly, own greater than 10% of any one class of equity interest in the Exchange if a De-registration Basis exists with respect to such individual.

(d) Any Director, Officer, member of a committee established by the Board, any member of a Disciplinary Panel, or Appeal Panel, any individual nominated to serve in any such role, any individual who, directly or indirectly, owns greater than 10% of any one class of equity interest in the Exchange and any individual authorized by the Exchange Regulation Department to take summary action shall immediately notify the Chief Executive Officer if such individual meets one or more applicable criteria in Rule 204(b) or Rule 204(c).

(e) An individual may not serve as a Director, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, if the individual has entered into a settlement agreement within the prior three years in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.

(f) An individual may not serve as a Director, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, if the individual is currently suspended from trading on any contract

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:

(i) A finding by a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the CFTC that such individual committed a disciplinary offense; or,

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

(g) An individual may not serve as a Director, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, if the individual 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;

(h) An individual may not serve as a Director, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, if the individual is currently subject to or has had imposed on him within the prior three years a CFTC registration revocation or suspension in any capacity for any reason, or has been convicted within the prior three years of any of the felonies listed in § 8a(2) of the CEA;

(i) An individual may not serve as a Director, or serve on a committee established by the Board, a Disciplinary Panel or an Appeal Panel, if the individual is currently subject to a denial, suspension or disqualification from serving on the disciplinary committee, arbitration panel or governing board of any self-regulatory organization.

RULE 205. Standing Committees

(a) The Board shall initially have four standing committees: the “Nominating Committee”, the “Exchange Access Committee”, the “Regulatory Oversight Committee” and the “Trading Protocol Committee”. The Board may from time to time constitute and appoint in accordance with the Operating Agreement, such additional standing committees of the Board as it may from time to time deem necessary or advisable.

(b) Each member of such standing committees must be a Director. Each standing committee shall have a chairperson who shall be designated by the Board.

(c) Each standing committee may supervise, manage or control the affairs of the Exchange to the extent it is duly authorized to do so by the Board.

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

RULE 206. [RESERVED]

RULE 207. Exchange Access Committee

(a) The Exchange Access Committee of the Board shall consist of three Directors appointed from time to time by the Board, two of which shall be Public Directors.

(b) The Exchange Access Committee shall have authority and responsibility to:

(i) Determine the standards and requirements for initial and continuing Participant, Sponsored Access Customer, and Settlement Agent eligibility;

(ii) Review any determination that a Person (1) fails to satisfy the criteria to qualify as a Participant, Sponsored Access Customer, or Settlement Agent; or (2) is denied Trading Privileges pursuant to Rule 305(a); and

(iii) Approve rules that would result in different categories or classes of Participants receiving disparate access to the Exchange.

(a) In reviewing appeals of staff denials of Participant applications, the Exchange Access Committee shall not uphold any staff denial if the relevant application meets the standards and requirements that such committee sets forth.

(b) The Exchange Access Committee shall not, and shall not permit the Exchange 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.

(c) The Exchange Access Committee reports to the Board. In the event that the Board rejects a recommendation or supersedes an action of the Exchange Access Committee, the Exchange shall submit a written report to the CFTC detailing: (1) the recommendation or action of the Exchange Access Committee; (2) the rationale for such recommendation or action; (3) the rationale of the Board for rejecting such recommendation or superseding such action; and (4) the course of action that the Board decided to take contrary to such recommendation or action.

RULE 208 Regulatory Oversight Committee

(a) The Regulatory Oversight Committee of the Board shall consist of at least two Public Directors appointed from time to time by the Board.

(b) Each member of the Regulatory Oversight Committee shall serve for a term of two calendar years from the date of her appointment or for the remainder of her term as a Public Director, and until the due appointment of her successor, or until her earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee or as a Public Director. A member of the Regulatory Oversight Committee may serve for multiple terms.

(c) The Regulatory Oversight Committee shall oversee the Exchange's regulatory program on behalf of the Board. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate. It shall make such recommendations to the Board as will, in its judgment, best promote the interests of the Exchange. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time or as required under CFTC rules.

(d) Without limiting the generality of the foregoing, the Regulatory Oversight Committee shall have authority and responsibility to:

(i) Monitor the regulatory program of the Exchange for sufficiency, effectiveness, and independence;

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

(A) Trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Subject Persons (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 (by majority vote in the case of the Chief Compliance Officer), and compensation of regulatory personnel, including the Chief Compliance Officer;

(C) Supervising the Chief Compliance Officer of the Exchange, each of whom will report directly to the Regulatory Oversight Committee;

(D) Recommending changes that would ensure fair, vigorous, and effective regulation; and

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

(e) The Regulatory Oversight Committee reports to the Board. In the event that the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee, the Exchange shall submit a written report to the CFTC detailing: (1) the recommendation or action of the Regulatory Oversight Committee; (2) the rationale for such recommendation or action; (3) the rationale of the Board for rejecting such recommendation or superseding such action; and (4) the course of action that the Board decided to take contrary to such recommendation or action.

RULE 209 Chief Compliance Officer

(f) The Chief Compliance Officer shall have the background and skills appropriate for fulfilling the responsibilities of the position. No individual disqualified from registration pursuant to §§ 8a(2) or 8a(3) of the CEA may serve as a Chief Compliance Officer.

(g) The Chief Compliance Officer shall report directly to, and shall be supervised by, the Regulatory Oversight Committee. The Chief Compliance Officer shall meet with the Board at least annually and with the Regulatory Oversight Committee at least quarterly. The Chief Compliance Officer shall provide any information regarding the Exchange's regulatory program that is requested by the Board or the Regulatory Oversight Committee.

(h) The Chief Compliance Officer shall have the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth for Chief Compliance Officers under the applicable CFTC Regulations. The Chief Compliance Officer shall have supervisory authority over all staff acting at the direction of the Chief Compliance Officer.

(i) The Chief Compliance Officer's duties shall include:

(i) Overseeing and reviewing the compliance of the SEF Trading System with § 5h of the CEA and any CFTC Regulations;

(ii) In consultation with the Board or the senior officer of the Exchange, resolving any conflicts of interest that may arise, including:

(A) Conflicts between business considerations and compliance requirements;

(B) Conflicts between business considerations and the requirement that the SEF provide fair, open and impartial access as set forth in CFTC Regulation § 37.202; and;

- (C) Conflicts between the Exchange's management and members of the Board.
- (iii) Establishing and administering written policies and procedures reasonably designed to prevent violation of the CEA and the CFTC Regulations;
- (iv) Taking reasonable steps to ensure compliance with the CEA and the CFTC Regulations;
- (v) Establishing procedures for the remediation of noncompliance issues identified by the Chief Compliance Officer through compliance office reviews, look-backs, internal or external audit findings, self-reported errors, or validated complaints;
- (vi) Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;
- (vii) Establishing and administering a compliance manual designed to promote compliance with the applicable laws, Rules and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
- (viii) Supervising the Exchange's self-regulatory program with respect to trade practice surveillance; market surveillance; real-time market monitoring; compliance with audit trail requirements; enforcement and disciplinary proceedings; audits, examinations and other regulatory responsibilities with respect to Subject Persons (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);
- (ix) Supervising the effectiveness and sufficiency of any regulatory services provided to the Exchange by a regulatory service provider in accordance with CFTC Regulation § 37.204;
- (x) Preparing, signing and filing the annual compliance report of the SEF Trading System, which report shall, at a minimum, contain the following information covering the time period since the end of the period covered by the previously filed annual compliance report:
 - (A) A description of the written policies and procedures, including the code of ethics and conflict of interest policies for the SEF Trading System;
 - (B) A review of the applicable CFTC Regulations and core principles of § 5h of the CEA, that, with respect to each, (1) identifies the policies and procedures that are designed to ensure compliance with such CFTC Regulations and core principles, (2) provides a self-assessment to the effectiveness of these policies and procedures, and (iii) discusses areas for improvement and recommends potential or prospective changes or improvements to its compliance program and resources;
 - (C) A list any material changes to such policies and procedures since the last annual compliance report;
 - (D) A description the financial, managerial, and operational resources set aside for compliance with respect to the CEA and CFTC Regulations, including a description of the Exchange's self-regulatory program's staffing and structure, a catalogue of investigations and disciplinary actions taken since the last annual compliance report, and a review of the performance of disciplinary committees and panels;
 - (E) A description of any material compliance matters, including noncompliance issues identified through a compliance office review, look-back, internal or

external audit finding, self-reported error, or validated complaint, and an explanation of how they were resolved; and

(F) A certification by the Chief Compliance Officer that to the best of his or her knowledge and reasonable belief, and under penalty of law, the annual compliance report is accurate and complete.

(xi) Providing the annual compliance report to the Board for its review prior to submitting the report to the CFTC, and ensuring the submission of the report to the Board and any subsequent discussion of the report is recorded in the Board minutes as evidence of compliance;

(xii) Submitting the annual compliance report to the CFTC electronically no later than 60 calendar days after the end of the Exchange's fiscal year, concurrently with the filing of the fourth fiscal quarter financial report pursuant to CFTC Regulation § 37.1306; and

(xiii) Filing with the CFTC, promptly upon discovery of any material error or omission made in a previously filed annual compliance report, an amendment to correct the material error or omission, which amendment shall include a certification by the Chief Compliance Officer that to the best of his or her knowledge and reasonable belief, and under penalty of law, the annual compliance report, as amended, is accurate and complete.

RULE 210 [RESERVED]

RULE 211 Trading Protocol Committee

(a) The Trading Protocol Committee of the Board shall consist of three Directors appointed from time to time by the Board, two of whom shall be Public Directors.

(b) The Trading Protocol Committee shall have authority and responsibility to:

(i) Establish and modify from time to time Contract specifications and trading protocols and conventions for the Exchange;

(ii) Establish and modify position limits; and

(iii) Designate and modify from time to time products eligible for listing on the Exchange.

(c) The Trading Protocol Committee shall have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time.

RULE 212. Additional Board Committees and Exchange Panels

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

(e) The Exchange may create panels of the Exchange, for such purposes as may from time to time be necessary or advisable (each, an "Exchange Panel"). Members of each such panel may be Directors, natural persons of a Participant and such other natural persons, in each instance, as may be qualified to serve on such panel.

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

(g) Each additional committee established pursuant to Rule 212(a) or panel established pursuant to Rule 212(b) may supervise, manage or control the affairs of the Exchange to the extent it is duly authorized to do so by the Board.

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

RULE 213 Regulatory Changes to the Composition Requirements

Should any of the Applicable Laws establishing minimum thresholds relating to the number or percentage of Public Directors that must serve on the Board or any committee pursuant to Rule 202(c), Rule 205(a), Rule 207(a) and Rule 208(a) be amended, the Rule imposing the relevant threshold or composition requirement shall be deemed amended to comply with such Applicable Laws without any further action of the Exchange to the extent permissible by law. Notice of such amendment shall be promptly made in accordance with Rule 312.

RULE 214 Emergency Rules

(a) During an Emergency, the Exchange may implement temporary emergency procedures and rules (“Emergency Rules”) pursuant to Rule 214(b), subject to the applicable provisions of the CEA and CFTC Regulations.

(b) Emergency Rules may require or authorize the Exchange, the Board, any committee of the Board or any Officer to take actions reasonably necessary or appropriate to respond to the Emergency (each such action, an “Emergency Action”), including, but not limited to, the following actions:

- (i) suspend or curtail trading or limit trading to liquidation for any Contract;
- (ii) extend or shorten the last trading date for Contracts;
- (iii) provide alternative settlement mechanisms for any Contract (including by altering the settlement terms or conditions or fixing the settlement price);
- (iv) order the transfer or liquidation of open positions in any Contracts; provided that if a Contract is traded on a platform in addition to the Exchange, the liquidation or transfer of open interests in such Contracts shall be as directed, or agreed to, by the CFTC or CFTC staff;
- (v) extend, shorten or change the Trading Hours or the expiration date of any Contract;
- (vi) temporarily modify or suspend any Rule, in whole or in part;
- (vii) require Participants to meet special margin or performance bonds requirements;
- (viii) order the transfer of customer Contracts and the associated margin; or
- (ix) impose or modify position limits, price limits, and intraday market restrictions.

Before taking an Emergency Action, (A) the effects of such Emergency Action on markets underlying the Contract(s) affected by such Emergency Action, on markets that are linked or referenced to such Contracts and similar markets on other trading venues shall be considered and documented as required under Rule 214(e).

(c) Before any Emergency Rule may be adopted and enforced, a required vote of the Regulatory Oversight Committee must approve the enforcement of such Emergency Rule at a duly convened meeting. Directors may attend such a meeting by teleconference. If the Chief Compliance Officer determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Regulatory Oversight Committee can reasonably be convened, then the Chief Compliance Officer shall have the authority, without Board or committee action, to implement any Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Compliance Officer must convene a meeting as soon as practicable. Whenever the Regulatory Oversight Committee, the Chief Compliance Officer takes an Emergency Action, a duly authorized representative of the Exchange, where possible, will post an announcement in a Market Notice.

(d) Either the Regulatory Oversight Committee, the Chief Compliance Officer may determine that an Emergency has been reduced sufficiently to allow the Exchange to resume normal functioning, in which case any Emergency Actions responding to such Emergency will be terminated and a duly authorized representative of the Exchange will post an announcement in a Market Notice.

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

(f) Upon taking any Emergency Action, the Exchange will document the decision-making process related to such Emergency Action, including the process for minimizing conflicts of interest, the process for notifying and coordinating with any applicable Settlement Agent or Prime Broker the extent to which the Exchange considered the effect of its Emergency Action on the underlying markets and on markets that are linked or referenced to the Contract Market and similar markets on other trading venues, and reasons for using emergency authority under this Rule 214. Such documentation will be maintained in accordance with Rule 217.

RULE 215 Conflicts of Interest

(a) A Director, Officer, Disciplinary Panel member or other Person authorized to exercise the Exchange's authority concerning any inquiry, investigation, disciplinary proceeding (including any summary proceeding or Emergency Disciplinary Action) or appeal from any of the foregoing (any such action, an "Exchange Proceeding"), or Emergency Action taken pursuant to Rule 214 (each such Exchange Proceeding or Emergency Action, a "Self-Regulatory Action") who knowingly has a "material conflict of interest" between his or her position as a Director, Officer, panel member or exercise of authority concerning a Self-Regulatory Action and his or her personal interests (each, an "Interested Person") may not participate in any deliberations or vote of the Board Committee, panel or exercise any authority with respect to such Self-Regulatory Action involving his or her personal interest, except as described in Rule 215(d).

(b) For purposes of Rule 215(a), a Director, Officer, Disciplinary Panel member or other Person has a "material conflict of interest" with respect to a Self-Regulatory Action if such Person:

(i) is named as a respondent or potential respondent in such Self-Regulatory Action;

(ii) is an employer, employee or fellow employee of (x) a respondent or potential respondent in such Self-Regulatory Action, or (y) an Affiliate of a respondent or a potential respondent in such Self-Regulatory Action;

(iii) has any significant, ongoing business relationship with (x) a respondent or potential respondent in such Self-Regulatory Action, or (y) an Affiliate of a respondent or a potential respondent in such Self-Regulatory Action;

(iv) has a family relationship with a respondent or potential respondent in such Self-Regulatory Action (including as the respondent's or potential respondent's spouse, co-habitant, former spouse, parent, step-parent, child, step-child, sibling, step-sibling, grandparent, grandchild, uncle, aunt, nephew, niece, parent-in-law, or sibling-in-law);

(v) has a direct and substantial financial interest in the result of the deliberations or vote based upon either exchange or non-exchange positions (as referenced in CFTC Regulation § 1.69), other than a direct or indirect equity or other interest in Tassat Group, that could reasonably be expected to be affected by such Self-Regulatory Action. A direct and substantial financial interest includes positions in Contracts in accounts of, controlled by, or affiliated with the Interested Person or in any other types of direct and substantial financial positions of the Interested Person that are reasonably expected to be affected by the deliberations or vote; or

(vi) otherwise has personal interests that may be prejudiced by a fair and impartial exercise of such Person's authority with respect to such Self-Regulatory Action.

(c) Before considering any Self-Regulatory Action, an Interested Person must disclose in writing to the Board the material facts concerning his or her relationship or interest in the matter.

(d) Any Interested Person who would be required otherwise to abstain from deliberations and voting pursuant to Rule 215(a) as a result of having a direct and substantial financial interest in the result of the deliberations and vote may participate in deliberations, prior to a vote on the matter, if:

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

(ii) the Board, Committee or Disciplinary Panel determines that the participation by the Interested Person would be consistent with the public interest; and

(iii) a majority of the Directors (excluding any Interested Persons) vote to allow the Interested Person to participate in deliberations on the matter.

(e) If a determination is made pursuant to Rule 215(d) that an Interested Person may participate in deliberations prior to a vote, then the minutes of the meeting of the Board or committee thereof will reflect the determination and the reasons for the determination.

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

RULE 216 Material, Non-Public Information

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

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

- (ii) trade, directly or indirectly, a contract, which is related to any Contract;
- (iii) trade, directly or indirectly, in a contract, which is related to any Contract, traded on or cleared by contract markets, swap execution facilities, or clearing organizations other than the Exchange if the employee has access to material, non-public information concerning such contract;
- (iv) trade, directly or indirectly, in a commodity interest traded on or cleared by a linked exchange if the employee has access to material, non-public information concerning such commodity interest; or
- (v) disclose for any purpose (other than exercise of such person's ownership rights or performance of such person's official duties for the Exchange, as applicable) any non-public information obtained as a result of the individual's ownership interest or performance of official duties for the Exchange.

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

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

(c) Each direct or indirect owner of the Exchange, and each Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, and other employee of the Exchange shall take all appropriate steps to safeguard all non-public information obtained as a result of the individual's ownership interest or performance of official duties for the Exchange, as applicable, and to protect such information against disclosure, misuse, espionage, loss and theft.

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

(e) Any employee that trades in a commodity interest, under the limited circumstances as permitted by this Rule 216, shall provide to the Exchange an annual certification that the employee has not traded in any Exchange Contracts or in any related commodity interest or other commodity interest covered by this Rule 216, and shall provide records of the commodity interest trades conducted by the employee in the past year.

(f) Notwithstanding anything to the contrary in this Rule 216, any direct or indirect owner of the Exchange, and any Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, and other employee of the Exchange may disclose any non-public information to any (i) Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, or any other employee of the Exchange to the extent necessary or useful for such person to perform his or her official duties for the Exchange, (ii) any outside advisor to the Exchange to the extent necessary or useful for such outside advisor to perform his or her official duties for the Exchange provided that such outside advisor is subject to confidentiality obligations substantively the same as those imposed on employees of the Exchange by this Rule 216, (iii) if required by the CFTC or another government agency or Self-Regulatory Organization, or (iv) if compelled

to do so by valid legal process, provided that the individual or entity making such disclosure notifies the Exchange.

(g) For the purposes of Rule 216, the terms “material information,” “non-public information,” “linked exchange,” “commodity interest” and “pooled investment vehicle” shall each have the meaning set forth in CFTC Regulation § 1.59(a).

RULE 217 Maintenance of Books and Records by the Exchange

(a) The Exchange shall keep, or cause to be kept, complete and accurate books and records of all activities relating to the business of the Platform including a complete audit trail for all swaps executed on or subject to the Rules of the Exchange, investigatory files and disciplinary files, all books and records required to be maintained pursuant to the CEA, and the CFTC Regulations.

(b) The Exchange shall retain all such books and records for at least a period of five (5) years, from the date thereof. Electronic records must be produced promptly for the duration. Paper records must be readily accessible during the first two years of the five year period. All such books and records shall be open to inspection by any representative of the CFTC, the United States Department of Justice, or the Securities Exchange Commission, or by any representative of a prudential regulator as authorized by the CFTC. More specifically, for swap transactions, CFTC Regulation imposes the following retention requirements with respect to the two year/five year requirement:

(i) All records to be kept relating to swap transactions (including records of all timestamps required under Part 43) must be retained with respect to each swap throughout the life of the swap and for a period of at least five years following the termination of the swap.

(ii) Required records may be kept in electronic form, or kept in paper form if originally created and exclusively maintained in paper form, so long as such records are retrievable and the information in such records is reportable under Part 43.

(iii) Each record shall be readily accessible via real time electronic access throughout the life of the swap and for the five years following the final termination of the swap. Paper records must be readily accessible.

(c) A copy of any book or record required to be kept by the Act or CFTC regulations shall be provided, at the expense of Tassat to a CFTC representative upon the representative’s request. In lieu of furnishing a copy, Tassat may provide the original book or record for reproduction, which the representative may temporarily remove from Tassat’s premises for this purpose. All copies or originals shall be provided promptly. Upon request, the CFTC representative shall issue a receipt for any copy or original book or record provided by Tassat. At the request of the CFTC representative, Tassat shall issue a receipt upon its return for any copy or original book or record returned by the representative upon its return.

RULE 218 Information-Sharing Agreements

(a) The Exchange shall share information with other regulatory organizations, data repositories, and third-party data reporting services as required by the Commission or as otherwise necessary and appropriate to fulfill its SRO and regulatory reporting responsibilities. The Exchange may enter into information-sharing agreements or other arrangements, including international information-sharing agreements, if the Exchange considers such arrangements necessary in the furtherance of the Exchange’s purpose or duties under Applicable Law. As part of any information-sharing agreements or other arrangements entered into pursuant to this Rule, the Exchange may:

(i) provide market surveillance reports to the Commission and other Government Agencies, or as necessary for the Exchange to comply with its SRO obligations, to other markets;

(ii) share information and documents concerning current and former Participants, Sponsored Access Customers, Direct Access Customers and Authorized Traders with the Commission and other Government Agencies, and or as necessary for the Exchange to comply with its SRO obligations, with other markets;

(iii) share information and documents concerning ongoing and completed Investigations the Commission and other Government Agencies, or as necessary for the Exchange to comply with its SRO obligations, with other markets; or

(iv) require its current or former Participants, Sponsored Access Customers and Authorized Traders to provide information and documents to the Exchange at the request of the Commission or other Government Agency with jurisdiction over the Exchange or as necessary for the Exchange to comply with its SRO obligations; provided however, the Exchange will not require Participants and Sponsored Access Customers to provide information or documents regarding their Customers or Clients, if any, unless required by Applicable Law.

(b) The Exchange may disclose Transactions executed by its Participants, Sponsored Access Customers, Direct Access Customers, or their respective Customers or Clients, if any, to the Commission or other Government Agency, to an SDR where the Exchange reports Transactions pursuant to Parts 43 and 45 of the CFTC Regulations, to a Settlement Agent or other services related to such Transactions or to any other person as required by Applicable Law. The Exchange will not disclose any such information to any of the aforementioned persons without a corresponding confidentiality agreement between itself and such person unless the person requesting such information is a Government Agency.

(c) Any production of documents, data or other information to the CFTC required to be provided under subsection (a) and (b) above shall comply with all applicable CFTC data delivery standards.

RULE 219 [RESERVED]

RULE 220 Services Agreement with a Technology Services Provider

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

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

CHAPTER 3
ACCESS TO THE TRADING PLATFORM

RULE 301 Jurisdiction; Applicability of Rules

ANY PERSON INITIATING OR EXECUTING A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE DIRECTLY OR THROUGH AN INTERMEDIARY, AND ANY PERSON FOR WHOSE BENEFIT SUCH A TRANSACTION HAS BEEN INITIATED OR EXECUTED, EXPRESSLY CONSENTS TO THE JURISDICTION OF THE EXCHANGE AND AGREES TO BE BOUND BY AND COMPLY WITH ALL APPLICABLE RULES OF THE EXCHANGE TO THE EXTENT APPLICABLE TO IT, INCLUDING THOSE APPLIED PURSUANT TO APPLICABLE LAW.

RULE 302 Participants

- (a) A Person is eligible to be a Participant if such Person:
- (i) maintains good reputation and business integrity;
 - (ii) is not the subject of a proceeding seeking a judgment of insolvency, bankruptcy, liquidation, dissolution, or a similar action instituted by such Person or a regulator;
 - (iii) maintains all applicable registrations required by Applicable Law, including any registration required of an IB or FCM;
 - (iv) is not subject to a De-registration Basis;
 - (v) completes and submits the Participant Documentation;
 - (vi) is, and will continue to be an Eligible Contract Participant for as long as such Person is a Participant, and if such Person will be entering into Transactions on the Platform on behalf of a Customer or for a Client, such Customer or Client is and will continue to be an Eligible Contract Participant for as long as Participant accesses the Platform on behalf of such Customer or Client;
 - (vii) if organized or located outside of the United States, provides the Exchange with a copy of a written agreement acceptable to the Exchange appointing a third party as a U.S. agent for service of process of such Person for purposes of CFTC Regulation § 15.05; and
 - (viii) satisfies any other criteria that the Exchange may require from a Participant.
- (b) A Participant must notify the Exchange, as soon as reasonably practicable, in writing, if any of the statements in Rule 302(a) cease to be true for such Participant or if a Customer or Client of the Participant ceases to be an Eligible Contract Participant.

RULE 303 Authorized Traders

(a) Authorized Traders. Each Participant or Sponsored Access Customer may from time to time appoint one or more Authorized Traders. Authorized Traders shall be entitled to exercise Trading Privileges of a Participant, or exercise Trading Access given to a Sponsored Access Customer, subject to the terms and conditions of these Rules. A Participant or a Sponsored Access Customer, as the case may be, shall appoint an Authorized Trader by notifying the Exchange in writing, in a form acceptable to the Exchange, and the Exchange will maintain a list of all such designated Authorized Traders. The Exchange may, in its sole but reasonable discretion, suspend, revoke or otherwise condition the right of any Authorized Trader to exercise the Trading Privileges of a Participant or exercise the Trading Access of a Sponsored

Access Customer, and promptly notify the relevant Participant or Sponsored Access Customer in accordance with the procedures for notification established by the Exchange.

(b) Revocation by Participant or Sponsored Access Customers. Each Participant and each Sponsored Access Customer may, at any time, immediately terminate or suspend access of any of its Authorized Traders to the Platform using the electronic mechanism provided on the Platform. Participants and Sponsored Access Customers may also revoke an authorization granted by it to any of its Authorized Traders by providing written notice of such revocation to the Exchange. The Exchange shall terminate the access of an Authorized Trader to the Platform as soon as practicable following receipt by the Exchange of a notice of revocation in respect of such Authorized Trader, but in any event no later than: (i) the end of the calendar day on which notice of revocation is received by the Exchange, if such revocation is received during Trading Hours; or (ii) the commencement of Trading Hours on the Business Day following the calendar day on which revocation was received by the Exchange, if such notice of revocation is not received during Trading Hours.

(c) Responsibility of Participants and Sponsored Access Customers. Each Participant and each Sponsored Access Customer shall have reasonable procedures in place to determine on a routine, periodic basis that a De-registration Basis does not exist with respect to any of its Authorized Traders. Each Participant and each Sponsored Access Customer shall ensure that each of its Authorized Traders is technically proficient in the use of the Platform.

RULE 304 [RESERVED]

RULE 305 Trading Privileges

(a) Subject to Rule 302(a), the Exchange shall grant Trading Privileges to Participants, and Participants shall have the right to exercise Trading Privileges for Proprietary Accounts and accounts of Customers and Clients and to grant Trading Access to Sponsored Access Customers and Direct Access Customers. Trading Privileges are non-assignable, non-transferable and may not be sold or leased. A grant of Trading Privilege by the Exchange does not convey any equity or other form of interest in the Exchange, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger, consolidation involving the Exchange or otherwise.

(b) Subject to Rule 308(b), the Exchange may deny a Person's Trading Privileges or revoke, suspend or otherwise condition a Person's Trading Privileges, in whole or in part,:

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

(ii) if such Person is unable to satisfactorily demonstrate its ability to satisfy the eligibility criteria to obtain or retain Trading Privileges;

(iii) if such Person would bring the Exchange into material disrepute, as determined by the Exchange in its sole but reasonable discretion; or

(iv) for such other cause as the Exchange reasonably may decide in good faith.

RULE 306 ISV ACCESS

The Exchange does not restrict access to the Platform for any Participant or Sponsored Access Customer seeking access through an ISV. Any ISV that may provide access to the Exchange Platform must satisfy the Exchanges conformance, security and other technological integrity requirements before such access is allowed.

RULE 307 [RESERVED]

RULE 308 Scope and Continuation of Rights and Privileges

(a) A Participant whose Trading Privileges are denied pursuant to Rule 305(b), or revoked, suspended or conditioned pursuant to Rule 305(c), or a Sponsored Access Customer whose Trading Access has been terminated or suspended by the Exchange pursuant to Rule 316(b), may appeal that determination of the Exchange in accordance with Chapter 6.

(b) Any Participant whose Trading Privileges are revoked, terminated, suspended or otherwise conditioned, and each of its Authorized Traders, or any Sponsored Access Customer whose Trading Access is terminated or suspended by the Exchange and each of its Authorized Traders, shall remain bound by the applicable Rules and subject to Applicable Law and jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant or Sponsored Access Customer, prior to such revocation, termination, suspension or other condition.

RULE 309 Dues, Assessments and Fees

(a) The Exchange shall have the authority to set the amounts and times of payment for any dues, assessments or fees (including Platform fees, clearing fees, brokerage and any transaction surcharges) to be paid by Participants or Sponsored Access Customers, which dues, assessments, and fees shall be paid to the Exchange when due. The Exchange shall notify all Participants and Sponsored Access Customers of fees to be charged for trading on the SEF as per agreement. The Exchange may modify them from time to time.

(b) If a Participant fails to pay when due, any dues, assessments or fees levied on such Participant by the Exchange, and such payment obligation remains unsatisfied for thirty (30) days after its due date, the Exchange may suspend, revoke, limit, condition, restrict or qualify the Participant's Trading Privileges or ability to otherwise access the Platform as it deems necessary or appropriate.

(c) If a Sponsored Access Customer fails to pay when due, any dues, assessments or fees levied on such Sponsored Access Customer by the Exchange, and such payment obligation remains unsatisfied for thirty (30) days after its due date, the Exchange may suspend, revoke, limit, condition, restrict or qualify the Trading Access of such Sponsored Access Customer. Except as otherwise agreed between Sponsoring Participant and the Exchange, Sponsoring Participant shall be responsible for any unsatisfied payment obligation of Sponsored Access Customer that remains unsatisfied for thirty (30) days after its due date.

RULE 310 Authorized Representatives

(a) Each Participant, Sponsored Access Customer, or Settlement Agent shall designate one or more individuals who is an employee and who will represent, or will designate a third party to represent, it before the Exchange and its committees and receive notices ("Authorized Representative").

(b) Each Authorized Representative shall be empowered by the Participant, Sponsored Access Customer, or Settlement Agent, as the case may be, to act on its behalf and the Exchange shall be entitled to rely on the actions of the Authorized Representative as binding on such Clearing Firm, Participant, Sponsored Access Customer, or Settlement Agent, as the case may be.

(c) Each Participant, Sponsored Access Customer, or Settlement Agent shall provide the Exchange with current contact and other requested information for each of its Authorized Representatives so that the Exchange is able to immediately contact the Authorized Representatives.

RULE 311 Recording of Communications

The Exchange may record conversations in respect of Orders, Transactions and any other activity on or through the Exchange between officers, employees or agents of the Exchange, on one hand, and Clearing Firms, Participants, Sponsored Access Customers, Authorized Traders, and Settlement Agents, on the other hand. The Exchange shall retain recordings of conversations made pursuant to this Rule in accordance with CFTC Regulations.

RULE 312 Exchange Notices

(a) Accurate, complete and current copies of this Rulebook and all Contract Specifications shall be published on the Web Site.

(b) Except as provided herein, the Exchange shall publish a Market Notice, including with respect to each addition to, modification of, or clarification of, the Rulebook, advisories, the matching algorithm described in Rule 539, and any Contract Specification, prior to the earlier of (i) the effective date thereof, and (ii) the filing of such change with the CFTC. All Persons shall be deemed to have received Market Notice upon publication to the Web Site.

(c) If confidential treatment is sought with respect to any filing with a Government Agency (including the CFTC) that would result in a change described in Rule 312(b), only the public version of such filing shall be disclosed pursuant to Rule 312(b).

RULE 313 Exchange Communications

(a) Each Participant, Sponsored Access Customer, and Settlement Agent must provide the Exchange with its current electronic mail address and telephone number and the electronic mail address and telephone number of any Authorized User.

(b) All communications between the Exchange and a Participant, Sponsored Access Customer, and Settlement Agent, as the case may be, will be transmitted by electronic mail or posted on the Web Site, except as provided for in Rule 538 and Rule 608, and as otherwise specified by the Exchange.

(c) Each Participant, Sponsored Access Customer, and Settlement Agent shall be responsible for conveying such communications to all of its Authorized Users.

(d) Each Participant, Sponsored Access Customer, and Settlement Agent will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from the Exchange to the Settlement Agent or Participant, as the case may be, or any of its Authorized Users.

(e) All communications made to the address for notices designated by a Participant, Sponsored Access Customer, or Settlement Agent, or a person designated by such Participant, Sponsored Access Customer, or Settlement Agent to accept such communications, as the case may be, shall also be deemed to have been made to all of its Authorized Users.

RULE 314 [RESERVED]

RULE 315 Withdrawal of Participant

(a) To withdraw from the Exchange, a Participant must notify the Exchange of its withdrawal. Such withdrawal shall be accepted and effective immediately upon the receipt of such notice by the Exchange.

(b) Effective upon the date that the Exchange accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate, including such Participant's Trading Privileges, and Trading Access granted to such Participant's Sponsored Access Customers. The withdrawal of a Participant shall not affect the rights of the Exchange under the Rules or relieve the former Participant of its obligations arising under the Rules before the effective date of such withdrawal (including any contractual obligations relating to any Contracts entered into by such Participant, or the payment of any Exchange fees, costs, or charges incurred prior to such withdrawal). A Participant that has withdrawn remains subject to the Rules, the Exchange requirements and the jurisdiction of the Exchange for acts done and omissions made while a Participant, and must cooperate in any Exchange Proceeding under Chapter 6 as if the withdrawn Participant were still a Participant.

(c) Upon delivery of a withdrawal notice the Exchange shall disable the Participant's and its Sponsored Access Customers' access to the Platform and will promptly notify the Control Desk that the Participant, its Sponsored Access Customers and their respective Authorized Traders, may no longer access the Platform. Disabling the Participant's access terminates the access of its Direct Access Customers.

RULE 316 Sponsored Access

(a) **Sponsored Designation.** Upon Sponsored Designation, the Exchange will provide Trading Access to the relevant Sponsored Access Customer. "Sponsored Designation" in respect of a Person means:

(i) such Person has delivered to the Exchange, the relevant annex (or other form acceptable to the Exchange) identifying a Participant that will serve as Sponsoring Participant;

(ii) such Participant has delivered to the Exchange, the relevant annex (or other form of direct access authorization acceptable to the Exchange) identifying such Person as a Sponsored Access Customer; and

(iii) confirmation by the Exchange that all requested information has been received by the Exchange and such information is satisfactory in form and substance.

(b) **Termination.**

(i) Unless otherwise provided in this Rule 316, Sponsoring Participant may at any time request that the Exchange suspend the Trading Access or terminate the Sponsored Designation of any of its Sponsored Access Customers, by providing written notice (a "Termination Request") to the Exchange requesting such suspension or termination, as applicable. After the Exchange has received a Termination Request, the Exchange shall either promptly suspend the Trading Access or promptly terminate the Sponsored Designation of the relevant Sponsored Access Customer(s), as set forth in the relevant Termination Request. Notwithstanding the foregoing, a Sponsoring Participant shall remain responsible for all activity of its Sponsored Access Customer that occurs by means of Trading Access prior to the termination or suspension of such Sponsored Access Customer by the Exchange. Upon termination or suspension, the Exchange shall have the right to cancel all resting Orders placed by or on behalf of Sponsored Access Customer on the Platform.

(ii) The Exchange shall have the right to suspend or terminate access to Sponsored Access Customer in accordance with Rules.

(c) **Obligations.** For so long as Sponsored Designation has not been terminated, Sponsored Access Customer and the Sponsoring Participant identified by such Sponsored Access Customer pursuant to Rule 316(a)(i) agree as follows.

(i) Sponsored Access Customer shall:

(A) maintain all registrations, licenses and consents required by Applicable Law for it and its Authorized Traders to place Orders and enter into Transactions on the Platform;

(B) cooperate with the Exchange, any regulatory or any self-regulatory organization in any inquiry, investigation, audit, examination or proceeding related directly or indirectly to the Trading Access of Sponsored Access Customer, and authorize the Exchange to provide information regarding Sponsored Access Customer to the CFTC or any self-regulatory organization;

(C) access the Platform exclusively through a password protected internet portal using the unique login credentials assigned to Authorized Traders of Sponsored Access Customer by Exchange; and

(D) represent in writing, in a form accepted to the Exchange, that it is, and will continue to be an Eligible Contract Participant for as long as such Person is a Sponsored Access Customer, and if such Person will be entering into Transactions on the Platform on behalf of a Client, such Client is and will continue to be an Eligible Contract Participant for as long as Sponsored Access Customer accesses the Platform on behalf of such Client.

(ii) Sponsoring Participant shall:

(A) assume financial responsibility for all activity of its Sponsored Access Customers on the Platform, including Transactions executed, by means of Trading Access;

(B) deliver a Termination Request to the Exchange in respect of any of its Sponsored Access Customers with Trading Access promptly after becoming aware that any actions or omissions of any of its Sponsored Access Customer violate any applicable Rules or Applicable Law; and

(C) assist the Exchange in a timely manner in any investigation into potential or actual violations of the Rules, the CEA, or CFTC Regulations which occur through or with respect to the Trading Access of any of its Sponsored Access Customers, including requiring any Sponsored Access Customer to produce documents, answer questions from the Exchange, or appear in connection with an investigation.

RULE 317 Liquidity Provider Programs

The Exchange may from time to time establish programs that provide Liquidity Providers with financial incentives for meeting trading volume, liquidity or other thresholds, as may be established by the Exchange. All Participants who meet the criteria, established by the Exchange from time to time, to be a Liquidity Provider are eligible to participate.

CHAPTER 4 OBLIGATIONS OF EXCHANGE USERS

RULE 401. Duties and Responsibilities of Participants and Authorized Traders

Each Participant and its Authorized Traders, to the extent applicable, shall:

- (a) use the Platform in a responsible manner and not for any improper purpose;
- (b) use the Platform only to exercise Trading Privileges in a manner consistent with these Rules;
- (c) observe high standards of integrity, market conduct, fair dealing, and similar equitable principles of trade in conducting any activity on or through the Exchange and in all aspects of its business connected with or concerning the Exchange;
- (d) not knowingly mislead or conceal any material fact or matter in any dealings or filings with the Exchange or in response to any Exchange Proceeding;
- (e) keep all Firm IDs, User IDs, Admin IDs, account numbers and passwords related to the Platform confidential and secure;
- (f) have the necessary authority from its Customers or Clients prior to initiating or executing Transactions for such Customers or Clients on, or subject to the Rules of, the Exchange;
- (g) be responsible for all Orders and Transactions, and for any other use of the Platform, made under a Firm ID or User ID, as applicable, assigned to such Participant or its Authorized Traders (whether such access or utilization is authorized or known by such Participant or Authorized Trader or not), including any use resulting from a failure in the security controls or credit controls of such Participant, other than due to the gross negligence of the Exchange;
- (h) keep, or cause to be kept, complete and accurate books and records, including records of activity in the underlying commodity and related derivatives markets and all other books and records required to be maintained pursuant to the CEA, the CFTC Regulations or the Rules, for at least five years, and make such books and records (i) readily accessible during the first two years of such five year period, and (ii) available for inspection by a representative of the Exchange, the CFTC, the DOJ, the SEC, or by any representative of a prudential regulator as authorized by the CFTC; and
- (i) be responsible for compliance with the mandatory trading requirements under § 2(h)(8) of the CEA for any Transaction that it enters into or facilitates that is subject to mandatory clearing. This provision 401(i) applies only to Participants that are registered, or are required to be registered, as Swap Dealers or Major Swap Participants.

RULE 402. Required Disclosures to the Exchange

Each Participant shall (and shall cause its Authorized Users to) notify the Exchange Regulation Department upon becoming aware of any of the following events:

- (a) any material changes to the information provided to the Exchange by such Participant in any of the relevant Participant Documentation, including contact information for its Authorized Representative, Authorized Contact, Authorized Users, Direct Access Traders, or any regulatory contact;
- (b) any refusal of admission of, or rejection from membership by, such Participant or any Authorized Trader to any Self-Regulatory Organization;

(c) any expulsion, suspension or fine in excess of \$50,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed on such Participant, or any of its Authorized User, by any SRO or any relevant Government Agency;

(d) any denial or rejection of any application for any registration or license submitted by such Participant, or any of its Authorized Traders, by or from any SRO or the CFTC or any non-voluntary revocation, suspension or conditioning of any registration or license of a Participant necessary to conduct any activity on or through the Exchange granted by the CFTC;

(e) the commencement of any material judicial or administrative proceeding against such Participant or any of its Authorized Traders, or the imposition of any cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed, in each case, by any SRO or any relevant Government Agency; or

(f) Participant becoming the subject of a petition for bankruptcy, liquidation, dissolution or a similar action.

RULE 403. Ability to Obtain Information

(a) The Exchange, acting directly or through authorized representatives, shall have the right, as is necessary to detect and investigate an actual or alleged violation of any Rule by a Participant or Person that is the subject of an investigation by the Exchange, with such prior reasonable advance notice as is practicable under the circumstances, unless otherwise required by Applicable Law, to:

(i) inspect systems, equipment and software operated by such Participant in connection with any activity on or through the Exchange, wherever located;

(ii) access the systems, equipment, software referenced in (i) above, and the premises on which such systems, equipment, and software are located, any data in connection with any activity on or through the Exchange stored in any of the systems or equipment, during the regular business hours and the Trading Hours of the Exchange; and

(iii) copy or reproduce any data to which the Exchange has access under this Rule.

(b) All Persons subject to the jurisdiction of the Exchange must maintain records pertaining to their activity on the Exchange, including records required by CFTC Regulation 37.404(b). The Exchange Regulation Department may require such Person to provide to the Exchange (periodically or upon request) information that is necessary to perform the enforcement obligations of the Exchange under the Rules or Applicable Law

RULE 404. [RESERVED]

RULE 405. Confidentiality of Financial and Other Information

All information and data, including information and data obtained pursuant to Rules 403 and 404, obtained or received by the Exchange Regulation Department from inspections of accounting and other records, quarterly balance sheets and declarations or reports on financial condition will be treated as confidential by the Exchange; provided, however, this Rule 405 does not supplant Rule 214 and the Rules in Chapter 6, or any other requirement of Applicable Law.

RULE 406. Authority to Impose Restrictions

Whenever a Participant is subject to the early warning requirements set forth in CFTC Regulation § 1.12, the Exchange may impose such conditions or restrictions on the business and operations of such Participant as the Exchange may deem necessary or appropriate for the protection of any Participant, Customer, Client or the Exchange. Any such conditions or restrictions would be imposed in consultation and cooperation with the Participant's DSRO and other SROs of which it is a member.

RULE 407. Treatment of Customer Funds and Securities

Each Participant that is registered with the CFTC as an FCM shall comply with the provisions of CFTC Regulations and other Applicable Law related to the protection of customer funds, including the segregation of customer and proprietary funds, the custody of customer funds, the investment standards for customer funds, intermediary default procedures and related recordkeeping, including CFTC Regulations §§ 1.20(a) and 1.25. Any violation of the aforementioned CFTC Regulations or other Applicable Law by Participant shall be a violation of this Rule 407.

CHAPTER 5
TRADING PRACTICES AND BUSINESS CONDUCT

RULE 501 **Scope**

This Chapter 5 applies to all transactions in Contracts except as expressly provided herein.

RULE 502 **Procedures**

(a) With respect to trading on or through the Platform, the Exchange may adopt (in conjunction with a Settlement Agent, where appropriate), without limitation, procedures relating to transactions in Contracts and trading on the Platform, including procedures to:

- (i) disseminate the prices of trades in Contracts;
- (ii) record, and account for, Contracts and any activity on or through the Exchange;
- (iii) perform market surveillance and regulation on matters affecting Contracts and any activity on or through the Exchange;
- (iv) establish limits on the number and size of Orders that may be submitted or the number and size of trades executed by a Participant through the Platform; and
- (v) establish a limit on the maximum daily price fluctuations for any Contract and provide for any related restriction or suspension of trading in the Contract.

RULE 503. **Business Days and Trading Hours**

The Exchange shall from time to time determine the Business Days and the Trading Hours for each Contract traded on the Platform. Orders may not be submitted outside of Trading Hours. The Business Days, Trading Hours and holidays of the Exchange are published on the Web Site. A Market Notice shall be issued pursuant to Rule 312 for any modification to or establishment of Business Days, Trading Hours or holidays.

RULE 504. **Fraudulent Acts Prohibited**

No Person shall engage in or attempt any fraudulent act or engage in or attempt any scheme or device to defraud, deceive, trick or mislead in connection with or related to any activity on or through the Exchange.

RULE 505. **Fictitious and Non-Competitive Transactions Prohibited**

No Person shall create “fictitious transactions” or “non-competitive transactions”, as such terms are commonly understood in the trade or under Applicable Law, or execute any Order with knowledge of its nature as a “fictitious transaction” or “non-competitive transaction,” except in the case of “non-competitive transactions” permitted by the Rules.

RULE 506. **Wash Sales Prohibited**

No Person shall place or accept buy and sell Orders in the same product and expiration month, where the person knows or reasonably should know that the purpose of the orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash sales). Buy and sell Orders 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 the prohibition on wash trades. Additionally, no Person shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.

RULE 507. Market Disruption Prohibited

No Person shall engage in any trading, practice, or conduct on the Platform or subject to the Rules that violates bids or offers, or demonstrates intentional or reckless disregard for the orderly execution of transactions within one half hour prior to the expiration of Trading Hours on any given Business Day, or is, is of the character of, or is commonly known to the trade as, “spoofing,” (bidding or offering with the intent to cancel the bid or offer before execution), as described in § 4c of the CEA.

No Person shall engage in any Exchange Activity that (a) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period, (b) consists of placing one or more Order with an intent to cancel such Order(s) prior to execution, (c) submitting or cancelling Orders with an intent to overload the Platform, (d) submitting or cancelling bids or offers with an intent to delay another person’s execution of trades, or (e) submitting or cancelling multiple bids or offers to create an appearance of false market depth; provided, however, that these clauses (a) through (e) shall not apply to Block Trades.

RULE 508. Market Manipulation Prohibited

No Person shall directly or indirectly manipulate, or attempt to manipulate, the price of any Contract. Corners and attempted corners are prohibited.

RULE 509. Prohibition of Misstatements

No Person shall knowingly make any misstatement of a material fact to the Exchange, any Exchange Official, or any committee of the Board or Exchange Panel or knowingly omit a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading.

RULE 510. [RESERVED]

RULE 511. [RESERVED]

RULE 512. Supervision

A Participant shall establish, maintain and administer reasonable supervisory procedures to monitor the compliance of its Authorized Traders with the Rules and any applicable provisions of the CEA or CFTC and such Participant may be held accountable for the actions of its Authorized Traders.

RULE 513. Misuse of the Platform

It shall be a violation of these Rules to willfully permit unauthorized use of the Platform, to assist any Person in obtaining unauthorized access to the Platform, to trade on the Platform without an agreement and an established account with a Settlement Agent (to alter the equipment associated with the Platform (except with the Exchange’s consent), to interfere with the operation of the Platform, to intercept or interfere with information provided thereby, or in any way to use the Platform in a manner contrary to the Rules.

RULE 514. Errors and Omissions in Handling Orders

(a) A Participant that inadvertently, through error or omission, fails to execute a Customer Order at the time it should have been executed may, upon discovery of such error or omission, execute such Customer Order at the best obtainable price. Such Customer Order shall be competitively executed and should be executed in the next available trading session for the applicable listed Contract, but in any event must be executed no later than the close of the next trading day and shall be reported to the Customer at the price at which the Customer Order actually executed. Unless otherwise agreed between Participant and the relevant Customer, if such price is to the advantage of the Customer, the Customer shall receive the benefit thereof; if not, the Customer shall receive such monetary adjustment as will afford the Customer the equivalent of the price at which such Order should and could have been executed. Full details of all

transactions consummated hereunder shall be promptly provided to the Exchange Regulation Department upon request.

(b) A Participant that makes an error in the execution of a Customer Order that is related to the terms of a Contract, including but not limited to, account number, quantity, contract month, price or other details of the Contract necessary to effect a Transaction on the Platform, shall resolve the error as agreed between the Participant and the relevant Customer or the Participant's error handling policies. If no such agreement or policy exists, Participant shall resolve such error in a manner that is fair and equitable to the Customer and shall include allowing the Customer to retain all or a portion of the executed Transaction, compensating the Customer for such error or some other agreed upon resolution provided it is within the scope of the Participant's error handling policies, if any. A Participant must document in writing the circumstances surrounding the nature of the error and promptly provide such documentation to the Exchange Regulation Department upon request.

(c) This Rule 514 shall not be construed to contravene any instructions received from a Customer regarding any Customer Order prior to its execution, but shall be construed to permit execution of Customer Orders under the conditions last prescribed without additional instructions from the Customer.

RULE 515. [RESERVED]

RULE 516. Withholding Orders Prohibited

A Participant shall not withhold or withdraw from the Platform any Order, or any part of an Order, for the benefit or on the instruction of any Person other than for the Customer for whom the Participant is placing the Order.

RULE 517. Priority of Customers' Orders

Except as otherwise permitted under the Rules or Applicable Law, no person shall enter an Order into the 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 an Order allowing discretion as to time and price if such person is in possession of any unsubmitted Order from a Customer that the Platform is capable of executing, unless such Customer provides such person with written consent to delay such Order.

RULE 518. Handling of Customer Orders

(a) General Prohibition.

(i) Except as otherwise permitted under the Rules or Applicable Law, no Participant who is an FCM or Introducing Broker, and in possession of a Customer Order, may knowingly take, directly or indirectly, the opposite side of such Customer Order on the order book of the SEF 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, in each case, following some form of prior arrangement in respect of such Customer Order.

(b) Exceptions - The foregoing restriction shall not apply to the following:

(i) A Participant who is an FCM or Introducing Broker may knowingly execute an Order of its Customer involving a Required Transaction against an 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, in any case, on the order book of the SEF; provided, that (A) such person has entered the relevant Order of the Customer into the order book of the SEF Trading System

promptly upon its receipt and (B) no fewer than 15 seconds has passed since entry of such Order in the order book of the SEF before such person enters the relevant off-setting Order into the order book of the SEF.

RULE 519. Disclosing Orders Prohibited

No Participant shall disclose any Customer Order to buy or sell except to a designated Exchange Official or the CFTC, and no Person shall solicit or induce a Participant to disclose any Customer's Order information. No Person shall take action or direct another Person to take action based on non-public Order information, however acquired.

RULE 520. Simultaneous Buy and Sell Orders For Different Beneficial Owners

(a) No Person shall enter through the order book of the SEF Trading System into a Cross-Trade in respect of a Required Transaction, except (i) where the Person is entering into both sides of a Customer Order, or (ii) the Person (A) has obtained prior written blanket or transaction specific consent in respect of the relevant Customer(s); and (B) waits for a reasonable period of time, which shall be a minimum of fifteen (15) seconds, after the initial Order is submitted to the order book of the SEF before submitting the opposite side Order to the order book of the SEF.

(b) Notwithstanding the foregoing, a Participant shall not be in violation of this Rule 520 due to Cross Trades executed by two Participants trading for the same account, or for separate accounts of the same beneficial owner, where neither Participant has knowledge of the other's Order and there is no coordination or prearrangement of the Cross Trade, provided that the relevant Participant shall be responsible, upon the request of the Exchange, to demonstrate to the reasonable satisfaction of the Exchange, that neither Participant had knowledge of the other's Order.

RULE 521. [RESERVED]

RULE 522. Recordkeeping Requirements for Entering Orders into the Platform

(a) General Requirements.

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

(A) the User ID identifying the individual placing such Order and an identifier of the Settlement Agent, that will settle any resultant contracts;

(B) its type, price or yield, quantity, product, maturity or expiration month or date, customer type indicator ("CTI") code and account number (as provided in Rule 522(d)); and

(C) such additional information as may be prescribed from time to time by the Exchange.

(ii) With respect to Orders received by a Participant that are immediately entered into the Platform, no record other than that set forth above need be made. If a Participant receives an Order that cannot be immediately entered into the Platform, such Participant must (x) prepare a written Order ticket in non-erasable ink and include the account designation, date, an electronic timestamp reflecting the time of receipt, an indication of whether such Order is a Bunched Order, an order number and other information required pursuant to Rule 522(a)(i), (y) enter such Order into

the Platform when such Order becomes executable and (z) if such Order is for a Customer, retain all consents and instructions from such Customer to delay entry of such Order.

(b) Electronic Audit Trail Requirements for Electronic Order Routing/Front-End Systems.

(i) Each Participant is responsible for maintaining or causing to be maintained the Order routing and front-end audit trail for all electronic Orders, including Order entry, modification, cancellation and responses to such messages (referred to as the “Electronic Audit Trail”), entered into the Platform by such Participant.

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

(iii) In the case where a Participant has a Direct Access Customer that is also a Participant, such Participant may notify such Direct Access Customer in writing that it is the Direct Access Customer’s obligation to maintain the Electronic Audit Trail with respect to such Direct Access Customer’s Orders. If such Direct Access Customer consents, the Participant’s obligations to maintain an Electronic Audit Trail with respect to such Direct Access Customer may be satisfied by such Direct Access Customer; provided, however, that such Participant will remain liable in case such Direct Access Customer fails to maintain the Electronic Audit Trail for Orders transmitted through the Participant’s system.

(iv) Each Participant providing access to Authorized Traders via a FIX API or to Direct Access Traders shall provide to the Exchange in a form and manner prescribed by the Exchange information requested by the Exchange regarding the natural persons entering Orders and execution Transactions using the Firm ID of the Participant. The information requested may include name, telephone number and email address.

(c) Notwithstanding the foregoing in paragraph (b) above, A Participant can rely on electronic order routing or order execution systems of the Exchange to record the audit trail information it enters into the system in accordance with Commission requirements. The Exchange shall maintain all information on behalf of Participants for any information entered into the Platform and shall provide such information to the Participant upon request in a timeframe sufficient for the Participant to meet their regulatory requirements. Participants must maintain any aspect of the audit trail that occurs outside of the Platform.

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

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

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

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

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

RULE 523 Modification and Cancellation of Orders

(a) Any Order that has been entered into the 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 Platform. Such modification or cancellation will become effective upon receipt by the Platform of the modification order or cancellation order, as the case may be.

(b) 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, including halts, in the event the quantity remaining after a partial fill is less than the minimum order/trade size, if a credit limit is exceeded, upon trader log out, or in the case of any failure of the Platform.

RULE 524 Pre-arranged Trades, Pre-Execution Communications and Non-competitive Trades Prohibited

(a) No Person shall pre-arrange any purchase or sale, or non-competitively execute, any transaction except in accordance with Rule 524(b)..

(b) Pre-arranged Trades and Pre-Execution Communications. A Person may engage in pre-execution communications or arrange the purchase or sale of a Contract that is a Permitted Transaction, provided however that the pre-negotiated Transaction is entered and affirmed by both parties to the Transaction within 15 minutes following the conclusion of such Transaction.,

RULE 525 Responsibility For Customer Orders

(a) Standard of Responsibility.

(i) A Participant shall, at a minimum, exercise reasonable care in the handling and execution of Customer Orders. In the case of a dispute as to whether a Participant has exercised due diligence, the appropriate arbitration or disciplinary committee is authorized to determine whether the Participant failed to exercise due diligence, and if so, whether an adjustment is due to the Customer.

(ii) A Participant is prohibited from directly or indirectly guaranteeing the execution of a Customer Order or any of its terms such as the quantity or price. A Participant may only report an execution that has been effected through the Platform. This Rule 525 shall not be construed to prevent a Participant from assuming or sharing in the losses resulting from an error or the mishandling of a Customer Order.

(b) Liability for Failure to Exercise Due Diligence. A Participant may not adjust the price at which a Customer Order was executed or be held responsible for executing or failing to execute a Order unless such Participant failed to exercise due diligence or is settling a bona-fide dispute regarding failure to exercise due diligence. A Participant, acting on behalf of its Customer, may not compel an adjustment from

another Participant in the absence of a bona-fide dispute regarding failure to exercise due diligence. Participants shall document all adjustments. Participants shall make and retain a record which contains the date the adjustment was received, the name of the Participant making the adjustment, the account to which the adjustment was credited, the amount of the adjustment, the Order number and the reason for the adjustment. Such records must be provided to the Exchange Regulation Department upon request.

RULE 526 [RESERVED]

RULE 527 Priority of Execution

Non-discretionary Customer Orders received by a Participant or an Authorized Trader shall be entered into the Platform in the sequence received; provided, however, that a Customer may request that a Participant delay submission of its Order in which case such Customer shall provide such Participant with written consent to delay submission of its Order. Non-discretionary Orders that cannot be immediately entered into the Platform must be entered when the Orders become executable in the sequence in which the Orders were received.

RULE 528 [RESERVED]

RULE 529 Position Limits and Exemptions

(a) To reduce the potential threat of market manipulation or congestion, the Exchange shall adopt for each of the Contracts of the facility, as is necessary and appropriate, position limitations for speculators.

(b) Except as otherwise provided by the Exchange Rules, no Person, including a Participant, may hold or control a position in excess of such position limits and a Participant may not maintain a position in excess of such position limits for a Customer or Client if such Participant knows, or with reasonable care should know, that such position will cause such Customer or Client to exceed the applicable position limits.

(c) Position limits shall apply to (i) all positions in accounts for which any Person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading, and (ii) positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by, or the trading of the positions were done by, a single Person.

(d) Any Person seeking an exemption from the position limits referred to above must file an application with the Exchange. The Exchange shall notify the applicant whether the exemption has been approved and whether the Exchange has imposed any limitations or conditions on the exemption. The decision of the Exchange shall be final.

RULE 530 Position Accountability

(a) To reduce the potential threat of market manipulation or congestion, the Exchange shall adopt for each of the Contracts of the facility, as is necessary and appropriate, position accountability levels for speculators.

(b) For purposes of this Rule, 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, as if the positions were held by a single Person.

RULE 531 [RESERVED]

RULE 532 [RESERVED]

RULE 533 [RESERVED]

RULE 534 Platform Access Restrictions

(a) For Uncleared Transactions, all Participants permitted to connect to the Platform (and its Customers or Clients, as applicable), must each have previously-negotiated freestanding agreements between the counterparties (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions). In addition, Participants that trade Digital Asset Products must also comply with the requirements of Chapter 12 of the Rules.

(b) Customer Orders may be entered only from the premises of an entity registered to conduct Customer business.

RULE 535 Policies Governing Use of Firm IDs, User IDs and Admin IDs

No Person may use a User ID to place any Order except as permitted by these Rules, nor may any Person knowingly permit or assist the unauthorized use of a User ID. Each Participant on behalf of itself and each of its Authorized Users shall take reasonable measures to ensure that no User ID or Admin ID is used by any Person not authorized by these Rules.

Each Participant must have in place policies and procedures, which:

(a) Restrict access through password protection to any system capable of submitting Orders to the Platform or access the administrative functionality of the Platform to individual users authorized by the relevant Participant and having a User ID or Admin ID, respectively;

(b) Require creation, maintenance and retention, as required in Rule 522, of accurate and complete records regarding each individual that is issued, or authorized to use, a User ID;

(c) Require that its Authorized Users protect and maintain the security of his User ID or Admin ID; and

(d) Prohibit the use of User IDs or Admin IDs by any Person, including any subsidiary, affiliate, division or business unit of Participant, except as permitted by this Rulebook.

RULE 536 Responsibilities for Firm IDs, User IDs and Admin IDs

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

(b) Each Participant shall ensure that each Authorized User accessing the Platform is assigned a unique password and that each password is used only by the Person to whom it is assigned.

(c) Each individual must use a unique identifier to access the Platform. In no event may a Person enter an Order or permit the entry of an Order by an individual using a User ID other than the individual's own User ID.

(d) Each Participant shall notify the Exchange promptly upon becoming aware of any unauthorized access to the Platform or any unauthorized disclosure or use of any User ID or Admin ID assigned to any of its Authorized Users and of any other reason for terminating an Authorized User's access

or deactivating a User ID. Each Participant shall be bound by any actions taken by its Authorized Users (other than any such actions resulting from the fault or negligence of the Exchange), whether or not such actions were taken or authorized by such Participant.

(e) Each Participant shall be solely responsible for ensuring that any front-end interface connecting to the Platform that is not provided by the Exchange, and that is used by the Participant and its Authorized Users and Direct Access Traders, is in compliance, in design and operation, with the requirements of the Exchange, if any, and with Applicable Law.

(f) Each Participant shall ensure that policies required under Rule 535 are implemented by such Participant and that its Authorized Users comply with such policies and procedures.

RULE 537 Limitation of Liability, No Warranties

THIS RULE 537 SETS FORTH THE LIABILITY AND INDEMNIFICATION OBLIGATIONS OF THE EXCHANGE AND ANY TRUEEX PARTY (AS DEFINED IN RULE 537(a)) TO ANY PERSON, EXCEPT AS OTHERWISE PROVIDED IN THIS RULEBOOK OR IN THE PARTICIPANT DOCUMENTATION, IN WHICH THE PARTIES AGREE TO SUPERSEDE THE TERMS OF THIS RULE 537.

(a) SUBJECT TO CLAUSES (f) AND (g) OF THIS RULE 537, EXCEPT IN INSTANCES WHERE THE EXCHANGE OR A TASSAT PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT (IN WHICH CASE THE EXCHANGE OR TASSAT PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 537(a)), NEITHER THE EXCHANGE, ITS SUBSIDIARIES AND AFFILIATES, NOR ANY TECHNOLOGY SERVICE PROVIDER OR CONTRACTOR PROVIDING SERVICES TO THE EXCHANGE, NOR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, NOR ANY OF THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, MEMBERS, PARTNERS, MANAGERS, AGENTS OR SUPPLIERS PROVIDING SERVICES TO THE EXCHANGE (EACH, A "TASSAT PARTY") SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES ARISING FROM OR IN CONNECTION WITH, IN EACH CASE:

(i) AS A RESULT OF THEIR USE OF SOME OR ALL OF THE PLATFORM AND BY MAKING USE OF THE PLATFORM;

(ii) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, ERROR, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE PROVISION, PERFORMANCE, MAINTENANCE, OR USE OF, THE PLATFORM, WEB SITE, ANY INFORMATION OR SERVICES PROVIDED BY THE EXCHANGE OR ANY TASSAT PARTY OR ANY FACILITIES OR TECHNOLOGY USED TO SUPPORT THE PLATFORM, WEB SITE, EXCHANGE OR EXCHANGE SERVICES INCLUDING ANY FAILURE TO PROVIDE ALL OR ANY PART OF THE PLATFORM, OR ANY INABILITY OF ANY PERSON TO VIEW, ENTER, EXECUTE OR CANCEL ORDERS OR TRANSACTIONS IN WHOLE OR IN PART;

(iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE EXCHANGE, A TASSAT PARTY, THE PLATFORM OR ANY PLATFORM SYSTEMS, SERVICES OR FACILITIES, ANY ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, SERVERS, SOFTWARE, HARDWARE, AND FIRMWARE, WHETHER SUCH ERRORS OR INACCURACIES ARE A RESULT OF ANY

ACTION OR INACTION OF THE EXCHANGE, A TASSAT PARTY OR AN INDEPENDENT THIRD PARTY;

(iv) THE CREDITWORTHINESS OF ANY PARTICIPANT, DIRECT ACCESS CUSTOMER, CUSTOMER OR CLIENT;

(v) ACTS OR OMISSIONS OF ANY SUBJECT PERSON, AUTHORIZED TRADER, AUTHORIZED REPRESENTATIVE, DIRECT ACCESS TRADER, CUSTOMER OR CLIENT THEREOF; OR

(vi) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY EXCHANGE SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

(vii) ANY FORCE MAJEURE EVENT, INCLUDING, BUT NOT LIMITED TO, THE UNAVAILABILITY OF THE BLOCKCHAIN AS REASONABLY DETERMINED BY THE EXCHANGE, AFFECTING THE EXCHANGE OR A CONTRACT; OR

(viii) A PARTICIPANT'S OWN SECURITY OR THE INTEGRITY OF A PARTICIPANT'S TECHNOLOGY OR TECHNOLOGY SYSTEMS.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE AND REGARDLESS OF WHETHER THE EXCHANGE HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED, THE POSSIBILITY OF SUCH LOSSES, DAMAGES, COSTS OR EXPENSES.

(b) UNLESS THE EXCHANGE OR A TASSAT PARTY HAS BEEN FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE ENGAGED IN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE EXCHANGE'S AND ANY TASSAT PARTY'S TOTAL COMBINED AGGREGATE LIABILITIES SHALL NOT EXCEED \$25,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS ON A SINGLE DAY; \$50,000 FOR ALL LOSSES SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$100,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS IN A SINGLE CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY OR SINGLE MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD. IN NO EVENT SHALL THE TOTAL COMBINED AGGREGATE LIABILITY OF THE EXCHANGE AND ANY TASSAT PARTY, FOR ALL CLAIMS ARISING OUT OF ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS OR ANY OTHER CAUSES IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE EXCHANGE'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE PLATFORM, OR THE NEGLIGENCE OF THE EXCHANGE OR ANY TASSAT PARTY, EXCEED \$100,000 IN ANY GIVEN CALENDAR YEAR.

(c) NEITHER THE EXCHANGE NOR ANY TASSAT PARTY SHALL BE LIABLE TO ANY PERSON FOR ANY DAMAGES, COSTS, LOSSES OR EXPENSES AND THE SUBJECT PERSON, CUSTOMER, OR CLIENT (AS THE CASE MAY BE) SHALL INDEMNIFY, PROTECT AND HOLD THE EXCHANGE AND ANY TASSAT PARTY HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, COSTS OR EXPENSES BASED UPON, OR IN CONNECTION WITH ANY CLAIM BY A THIRD PARTY BASED UPON THE DELAY, OMISSION, SUSPENSION, INACCURACY, ERRORS OR TIMELINESS OR OTHER ACTS OR OMISSIONS OF SUCH SUBJECT

PERSON OR ANY OF ITS OR THEIR AUTHORIZED USERS, CUSTOMERS, OR CLIENTS (AS THE CASE MAY BE) IN RESPECT OF TRANSACTIONS OR ANY RELATED DATA, INCLUDING IN CONNECTION WITH QUOTES, BIDS, OFFERS OR OTHER PRICE INFORMATION PROVIDED IN CONNECTION WITH OR RELATING TO ANY TRANSACTION, ANY REQUEST FOR QUOTE OR INDICATION OF INTEREST.

(d) NEITHER THE EXCHANGE NOR ANY TASSAT PARTY MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS RELATING TO THE EXCHANGE, THE PLATFORM OR ANY EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE PLATFORM, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THE EXCHANGE WILL PROVIDE ALL SERVICES ON AN "AS IS" AND "AS AVAILABLE" BASIS AT THE SOLE RISK OF THE SUBJECT PERSON, CUSTOMER, OR CLIENT, AS THE CASE MAY BE. FURTHERMORE, NEITHER THE EXCHANGE NOR ANY TASSAT PARTY GUARANTEES OR MAKES ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, (i) AS TO THE VALIDITY, SEQUENCE, TIMELINESS, COMPLETENESS, ACCURACY OR CONTINUED AVAILABILITY OF ANY INFORMATION OR DATA MADE AVAILABLE ON OR THROUGH THE EXCHANGE, (ii) THAT THE EXCHANGE OR THE PLATFORM WILL OPERATE IN AN ERROR-FREE, SECURE OR UNINTERRUPTED MANNER, OR (iii) THAT THE EXCHANGE OR ANY ASPECTS OF THE PLATFORM WILL BE FREE FROM VIRUSES OR OTHER HARMFUL COMPONENTS. NEITHER THE EXCHANGE NOR ANY TASSAT PARTY SHALL HAVE A DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE PLATFORM SYSTEM OR OTHERWISE. EACH SUBJECT PERSON, CUSTOMER, OR CLIENT ACKNOWLEDGES AND AGREES THAT NEITHER THE EXCHANGE NOR ANY TASSAT PARTY SERVES OR SHALL SERVE AS THE PRIMARY BASIS FOR ANY DECISIONS MADE BY SUCH SUBJECT PERSON, CUSTOMER, OR CLIENT, AS THE CASE MAY BE, NOR SHALL THE EXCHANGE OR ANY TASSAT PARTY BE DEEMED TO ACT AS AN ADVISOR OR FIDUCIARY OF ANY SUBJECT PERSON, CUSTOMER, OR CLIENT, AS THE CASE MAY BE. A PERSON ACCESSING THE EXCHANGE IS SOLELY RESPONSIBLE FOR THE SECURITY AND INTEGRITY OF THE PERSON'S TECHNOLOGY. A PERSON'S ACCESS TO THE EXCHANGE MAY BE INTERNET-BASED AND THE EXCHANGE HAS NO CONTROL OVER THE INTERNET OR A PERSON'S CONNECTIONS THERETO. ANY PERSON ACCESSING THE EXCHANGE ACKNOWLEDGES THAT THE INTERNET, COMPUTER NETWORKS, AND COMMUNICATIONS LINKS AND DEVICES NECESSARY TO ENABLE A PERSON TO ACCESS AND USE THE PLATFORM ARE INHERENTLY INSECURE AND VULNERABLE TO ATTEMPTS AT UNAUTHORIZED ENTRY AND THAT NO FORM OF PROTECTION CAN ENSURE THAT A PARTICIPANT'S DATA, HARDWARE, OR SOFTWARE OR THE PLATFORM OR OTHER EXCHANGE PROPERTY WILL BE FULLY SECURE. FURTHERMORE, NEITHER THE EXCHANGE NOR ANY TASSAT PARTY SHALL HAVE AN OBLIGATION TO MONITOR OR VERIFY ANY INFORMATION DISPLAYED THROUGH THE PLATFORM.

(e) ANY DISPUTE ARISING OUT OF THE USE OF THE PLATFORM OR EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE PLATFORM TO WHICH THE EXCHANGE OR ANY TASSAT PARTY IS A PARTY SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICT OF LAW PRINCIPLES. ANY ACTIONS, ARBITRATIONS, SUITS OR PROCEEDINGS SHALL BE BROUGHT WITHIN ONE YEAR FROM THE TIME THE PERSON FILING THE CLAIM KNEW, OR SHOULD HAVE KNOWN, OF THE ACT OR TRANSACTION THAT IS THE SUBJECT OF THE DISPUTE. ANY SUCH ACTION, SUIT OR PROCEEDING MUST BE BROUGHT IN ANY FEDERAL OR STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK. THIS PROVISION SHALL IN NO WAY CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE ANY ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE RULES OF THE EXCHANGE. THE ALLOCATIONS OF LIABILITY IN THIS RULE 537 REPRESENT THE AGREED AND BARGAINED FOR UNDERSTANDING OF THE PARTIES, AND EACH PARTY

ACKNOWLEDGES THAT THE OTHER PARTY'S RIGHTS AND OBLIGATIONS HEREUNDER REFLECT SUCH ALLOCATIONS. THE PARTIES AGREE THAT THEY WILL NOT ALLEGE THAT THIS REMEDY FAILS ITS ESSENTIAL PURPOSE.

(f) UNDER NO CIRCUMSTANCES WILL THE EXCHANGE OR ANY TASSAT PARTY BE LIABLE TO ANY PERSON FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, LOSS OF USE, BUSINESS INTERRUPTION, THE COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY, OR CORRUPTION OR LOSS OF DATA.

(g) NOTWITHSTANDING ANY OF THE FOREGOING PROVISIONS, THIS RULE 537 SHALL IN NO WAY LIMIT THE LIABILITY OF ANY PERSON ARISING FROM ANY VIOLATION BY SUCH PERSON OF THE CEA OR CFTC REGULATIONS THEREUNDER.

RULE 538 Control Desk

(a) Support.

(i) The control center of the Exchange (the "Control Desk") provides support and problem management only to Participants, and Settlement Agents, and their Authorized Users.

(ii) In order to be eligible for Control Desk support, a natural person must first be identified to the Exchange by the relevant Participant or Settlement Agent, as the case may be, as an authorized contact ("Authorized Contact") or must be an Authorized User. The Control Desk provides support via a specified telephone number and during specified hours.

(iii) Control Desk employees may not always be available to assist Authorized Contacts or Authorized Users.

(iv) Individuals other than Authorized Contacts and Authorized Users must contact a Participant's or Settlement Agent's Authorized Contact to make support requests.

(b) Control Desk Communications.

(i) As provided in Rule 537, the Exchange shall not be liable for any loss resulting from any inability to communicate with the Control Desk.

(ii) The liability of the Exchange for the negligent acts of Control Desk staff shall be subject to the limitations and conditions of Rule 537.

(iii) In no event shall the Exchange be liable for the negligence of the Control Desk if the Person claiming to have suffered a loss could have secured the support it sought from the Control Desk through its own administrative terminal or a terminal of an ISV.

(iv) For purposes of this Rule, a Person is deemed able to take action through its own administrative terminal, a Settlement Agent's terminal or an ISV's terminal unless such terminal was inoperative or such terminal service was interrupted at the time the Control Desk took action.

(c) Order Status.

(i) A Person who believes it has received an incorrect Order status or does not receive an appropriate status shall immediately notify the Control Desk. Additionally, such Person shall take any necessary and appropriate market action to mitigate any potential losses arising from the incorrect Order status or lack of appropriate Order status immediately after the Person knew or

should have known that the Order status information was incorrect or should have been received. Any liability of the Exchange for incorrect Order status shall be subject to the limitations and conditions of Rule 537.

(ii) Notwithstanding the above, the Exchange shall not be liable for losses related to incorrect Order status information if the Exchange provides prior notification that an Exchange system, service or facility may produce such incorrect information and also provides notification of a means to obtain correct Order status information from such system, service or facility. In the event that the Control Desk and an Exchange system, service or facility provide conflicting information relating to an Order status, a Person may only reasonably rely on the information received from the Control Desk. Any liability of the Exchange shall be subject to Rule 537.

RULE 539 [RESERVED] Execution Methods

RULE 540. [RESERVED]

RULE 541. [RESERVED]

RULE 542. [RESERVED] RULE 543 [RESERVED]

RULE 544 Recordkeeping Requirements for Privately Negotiated Trades

(a) All transactions executed pursuant to Rule 524 and 1204(c), unless otherwise exempted by Rule, are subject to the following recordation requirements (in addition to any other recordation requirements applicable under the Rules and Applicable Law):

At the time of execution, every Order received from a Customer must be in the form of a written or electronic record and include an electronic timestamp reflecting the date and time such Order was received and must identify the specific account(s) for which the Order was placed. Such record shall also include an electronic timestamp reflecting the date and time such Order was executed or cancelled.

RULE 545. SDR Reporting

(a) Transmitting and Reporting Data. The Platform shall transmit Real-Time Data and report all Required Swap Creation Data to an SDR, as soon as technologically practicable after execution of such swap on or subject to the rules of the Exchange. The Exchange reports all Real-Time Data and Required Swap Creation Data for each swap to the same SDR.

(b) Non-Disclosure. The Exchange shall not disclose Real-Time Data of any swap executed on or pursuant to the rules of the Platform prior to public dissemination of such Real-Time Data by an SDR in accordance with CFTC Regulations.

(c) Required Swap Continuation Data.

(i) CFTC Regulation Part 45 requires Continuation Data to be reported to the same SDR referenced in Rule 102(i) during the life of any Transaction.

(ii) Pursuant to CFTC Regulation § 45.4(c), Required Swap Continuation Data for any Uncleared Transaction, whether or not the Transaction is executed on the SEF Trading System, will be reported to the SDR by the Reporting Counterparty.

(iii) The Exchange will have no obligation to fulfill any requirements to report Required Swap Continuation Data for any Participant, including Valuation Data.

(iv) If the Exchange fulfills any requirements to report Required Swap Continuation Data for any counterparty that is a Reporting Counterparty, such Reporting Counterparty will at all times remain responsible for the performance of any and all regulatory reporting requirements imposed on such Reporting Counterparty under CFTC Regulation Part 45.

(d) Correcting Real-Time Data.

(i) If a Reporting Counterparty becomes aware, whether through the initiative of the Reporting Counterparty or through notice by the non-reporting counterparty to the swap, of an error or omission in Real-Time Data that was transmitted by the Platform to an SDR, the Reporting Counterparty shall promptly submit to the Exchange, Real-Time Data correcting such error or omission and notify the Exchange of the need to correct the original Real-Time Data transmitted to the relevant SDR. The Reporting Counterparty shall make such submission to the Exchange by email to regulatory@tassat.com.

(ii) If the Exchange becomes aware of an error or omission in Real-Time Data transmitted by it to an SDR, or receives notification from the Reporting Counterparty pursuant to sub-paragraph (i), the Exchange shall promptly transmit Real-Time Data correcting such error or omission to the same SDR to which incorrect Real-Time Data was transmitted through such SDR's webservice or such other method as provided by the SDR.

(e) Correcting Required Swap Creation Data. The Exchange shall report corrections to any errors and omissions in Required Swap Creation Data that were transmitted by the Exchange to the SDR through the SDR's webservice or such other method as provided by the SDR. Corrections of errors or omissions in Required Swap Creation Data shall be reported to the relevant SDR as soon as technologically practicable after discovery of any such errors or omissions.

(f) Improper Cancellation or Correction. The Exchange shall not transmit or agree to transmit to an SDR a cancellation or correction to Real-Time Data with knowledge that the purpose of re-reporting such Real-Time Data is to gain or extend a delay in public dissemination of accurate Real-Time Data or to otherwise evade the reporting requirements in this rule.

(g) Reporting Counterparty Determination. For purposes of these rules, the term "Reporting Counterparty" means, in respect of a swap executed on or pursuant to the Rules of the Exchange, the counterparty that is the "reporting counterparty" after application of CFTC Regulation § 45.8. If both principal counterparties to a swap executed on or pursuant to the rules of the Exchange are Swap Dealers; or both are Major Swap Participants; or neither are Swap Dealers nor Major Swap Participants but both are financial entities as defined in CEA § 2(h)(7)(C); or neither are a financial entity as defined in CEA § 2(h)(7)(C), the Reporting Counterparty shall be the Person that is the buyer of the swap. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the Reporting Counterparty.

RULE 546 Transaction Confirmation.

(a) For each Transaction executed on or pursuant to the Rules of the Exchange, the Exchange will provide each Participant that is a counterparty to the Transaction on the Platform, an electronic written record of all of the terms of the Transaction at the time of execution, which terms shall legally supersede any previous agreement and serve as a confirmation of the Transaction ("the Confirmation"). The Exchange

will not include specific account identifiers for accounts included in Bunched Orders if the applicable requirements of CFTC Regulation 1.35(b)(5) are met.

(b) For Uncleared Transactions:

(i) Each Confirmation shall incorporate by reference, and shall state that it incorporates by reference, the terms of the underlying previously-negotiated freestanding agreements between the counterparties (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions).

(ii) Each Confirmation shall state that in the event of any inconsistency between the Confirmation and the underlying previously-negotiated freestanding agreements, the terms of the Confirmation legally supersede any contradictory terms.

(iii) The Exchange is required to request from Participants to an Uncleared Transactions the underlying previously-negotiated freestanding agreements on request from the Commission and is required to provide such documents to the Commission as soon as they are available.

(iv) Participants are required to provide to the Exchange copies of underlying previously-negotiated freestanding agreements upon request from the Exchange.

(v) The information in subsections (i) through (iv) above is required pursuant to the terms of the No-Action Letter 17-17, expiring on the effective date of any changes in the regulation.

RULE 547 Orders Eligible for Post-Execution Allocation

(a) No Participant shall enter a Bunched Order on the Platform unless at the time of entering such Bunched Order, such Participant:

(i) is within at least one of the categories of entities enumerated in CFTC Regulation § 1.35(b)(5)(i); and

(ii) has been granted written investment discretion with regard to the Client accounts to which Participant will allocate the Transaction that results from such Bunched Order.

(b) All Bunched Orders and Transactions resulting from Bunched Orders must be allocated and recorded in accordance with CFTC Regulation § 1.35 and consistent with the principles of NFA's Interpretative Notice 9029 related to Compliance Rule 2-10 as amended from time to time, and as if its terms applied to swaps.

(c) The provisions of (b) above shall also apply to Block Trades in which orders have been aggregated pursuant to CFTC Regulation § 43.6 to meet the minimum transaction size.

RULE 548. Legal Certainty of Transactions

A Transaction entered into on or pursuant to the Exchange Rules shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of either (a) a violation by the Exchange of the provisions of CEA § 5h or CFTC Regulations; or (b) any action taken by the CFTC that has the effect of amending, altering or supplementing these Rules or any of the terms or conditions of a Contract listed for trading on the Exchange.

CHAPTER 6 DISCIPLINARY RULES

RULE 601. General

(a) All Persons subject to the jurisdiction of the Exchange are subject to this Chapter 6 if they are alleged to have violated, or to have aided and abetted a violation of, any Rule of the Exchange or any provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction.

(b) The Exchange, through the Exchange Regulation Department and the Disciplinary Panel, 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 6.

(c) No Exchange Official, Director, or Officer 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 (each, a “Disciplinary Action”), except to the extent provided under the Rules with respect to a proceeding in which the Director is a member of the relevant Appeal Panel; provided, however, that a Director may participate in the proceedings of an Appeal Panel if such Director is a member of such Appeal Panel to the extent otherwise authorized.

(d) Any Person may be represented by legal counsel or any other representative of its choosing during any Disciplinary Action; provided, however, that no such legal counsel may be an employee of the Exchange or any person related to the underlying investigation.

(e) Liability of a Subject Person or any Authorized Traders, thereof.

The Exchange may hold a Subject Person or any Authorized Trader liable for, and impose sanctions against, such Subject Person or any Authorized Trader thereof, for:

(i) the acts and omissions of such Subject Person or any of its Authorized Traders that constitutes a violation of the Rules of the Exchange or any provision of Applicable Law; or

(ii) any Person’s use of a User ID or Admin ID that has been assigned to an Authorized Trader or Administrative User, respectively, of such Subject Person that constitutes a violation of Rule 536 or Rule 801(b), as appropriate.

(f) Ex Parte Communications.

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

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

(iii) Any Person who receives, makes or learns of any communication that is prohibited by this rule shall promptly give notice of such communication and any response thereto to the Exchange Regulation Department and all parties to the proceeding to which the communication relates.

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

RULE 602. Inquiries and Investigation

(a) The Exchange Regulation Department will investigate any matter within the Exchange's jurisdiction of which it becomes aware. Pursuant to this Chapter 6, the Exchange Regulation Department will commence an investigation upon the receipt of a request from Commission staff or upon the discovery or receipt of information by the Exchange that, in the judgment of the Exchange Regulation Department indicates a possible basis for finding that a violation may have occurred or will occur. The Exchange Regulation Department will determine the nature and scope of its inquiries and investigations in its sole discretion and will function independently of any commercial interests of the Exchange.

(b) The Exchange Regulation Department has the authority to:

- (i) initiate and conduct inquiries and investigations;
- (ii) prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;
- (iii) prosecute alleged violations within the Exchange's disciplinary jurisdiction; and
- (iv) represent the Exchange on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

(c) Each Person:

(i) is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Exchange Regulation Department in connection with:

- (A) any inquiry or Investigation; or
- (B) any preparation by and presentation during a Disciplinary Action.

(ii) is obligated to produce all books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Exchange Regulation Department in connection with:

- (A) any inquiry or Investigation; or
- (B) any preparation by and presentation during a Disciplinary Action; and

(iii) may not impede or delay any Disciplinary Action.

RULE 603. Reports of Investigations

(a) The Exchange Regulation Department will maintain a log of each Investigation and its disposition. The Exchange Regulation Department will prepare a written report of each Investigation,

regardless of whether the evidence gathered during such Investigation forms a reasonable basis to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) Any written report of Investigation ("Investigative Report") will include the reasons for initiating the Investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, Exchange Regulation Department staff's analysis and conclusions and the recommendation of the Exchange Regulation Department including as to whether a warning letter should be issued or any other disciplinary action should be pursued. For each potential respondent, the Exchange Regulation Department will recommend either:

- (i) closing the Investigation without further action;
- (ii) settlement;
- (iii) summary action;
- (iv) the preparation and service of a Notice of Charges for instituting a disciplinary proceeding; or
- (v) resolving the Investigation through an informal disposition, including the issuance of a warning letter, provided that no more than one warning letter may be issued to the same Person found to have committed the same rule violation within a rolling twelve month period. An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction, however, the investigative report must include a copy of any warning letter.

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

RULE 604. Opportunity to Respond

(a) After completing its Investigative Report, the Exchange Regulation Department may, upon approval of the Chief Compliance Officer, notify each potential respondent that the Exchange Regulation Department has recommended formal disciplinary charges against the potential respondent.

(b) The Exchange Regulation Department may allow a potential respondent to propose a settlement of the matter or to submit a written statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought. The potential respondent shall submit such written statement within the time limit established by the Exchange Regulation Department.

RULE 605. Review of Investigative Reports

(a) Review of Investigative Reports by the Chief Compliance Officer .

(i) The Chief Compliance Officer will review the Investigative Report provided pursuant to Rule 603(c) to determine whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.

(ii) If after receiving an Investigative Report pursuant to Rule 605(a)(i) or any additional information pursuant to this Rule 605(a)(ii), the Chief Compliance Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur, the

Chief Compliance Officer will direct the Exchange Regulation Department to conduct further investigation.

(iii) Upon receiving the Investigative Report pursuant to Rule 605(a)(i) and all additional information requested pursuant to Rule 605(a)(ii), the Chief Compliance Officer will determine for each potential respondent whether to authorize:

(A) the informal disposition of the Investigation (by issuing a warning letter or otherwise; provided that no more than one warning letter may be issued to the same Person found to have committed the same rule violation within a rolling twelve month period) because disciplinary proceedings are unwarranted; or

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

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

(b) Review of Investigative Reports by the Review Panel of the Disciplinary Panel.

(i) After receiving a completed Investigative Report pursuant to Rule 605(a), a Review Panel must promptly review the report and, within 30 days of such receipt, must take one of the following actions:

(A) If the Review Panel determines that additional investigation or evidence is needed, it must promptly direct the Exchange Regulation Department to conduct further investigation.

(B) If the Review Panel determines that no reasonable basis exists for finding a violation or that prosecution is otherwise unwarranted, it 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.

(C) If the Review Panel determines that a reasonable basis exists for finding a violation and adjudication is warranted, it must direct that the Person alleged to have committed the violation be served with a Notice of Charges and proceed in accordance with the rules of this Chapter 6.

(ii) A failure of the Disciplinary Panel to act within the time prescribed in Rule 605(b)(i) shall not prevent the Chief Compliance Officer from acting pursuant to Rule 605(a). The Chief Compliance Officer shall inform the Regulatory Oversight Committee of any such failure of the Disciplinary Panel to act.

(iii) Any conflict between the actions of the Chief Compliance Officer pursuant to Rule 605(a) and the Disciplinary Panel pursuant to Rule 605(b) shall be resolved by the Regulatory Oversight Committee.

(c) Each Investigation shall be completed in a timely manner. Absent mitigating circumstances (it being understood that 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 may constitute such mitigating circumstances), an Investigation shall be complete within 12 months of such Investigation being initiated pursuant to Rule 602(a).

RULE 606. Notice of Charges

(a) If the Chief Compliance Officer, the Chief Regulatory Officer or Review Panel authorizes disciplinary proceedings pursuant to Rule 605(a)(iii)(C) or Rule 603(b)(iv), the Exchange Regulation Department will prepare, and serve in accordance with Rule 608, a Notice of Charges (“Notice of Charges”).

(b) A Notice of Charges will:

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

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

(iii) state the proposed sanctions;

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

(v) advise the respondent of the right to be represented by legal counsel pursuant to Rule 601(d) in all succeeding stages of the disciplinary process;

(vi) state the period of time within which the respondent may file an answer to the Notice of Charges, which will not be less than 20 days after service of the Notice of Charges;

(vii) advise the respondent that any failure to answer the Notice of Charges pursuant to Rule 607 within the period stated pursuant to Rule 606(b)(vi) except for good cause, will be deemed to constitute a waiver of the right to participate in a hearing; and

(viii) advise the respondent that any allegation in the Notice of Charges that is not expressly denied will be deemed to be admitted.

RULE 607. Answer to Notice of Charges

(a) If the respondent determines to answer a Notice of Charges, the respondent must file answers within the period indicated in the Notice of Charges pursuant to Rule 606(b)(vi), which period may be extended by written consent of the Chief Compliance Officer .

(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 Chief Compliance Officer , who shall forward a copy of the answer to the relevant Review Panel.

(c) Any failure by the respondent to timely serve an answer to a Notice of Charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to specifically answer any allegation shall be deemed to be an admission of such allegation. Any allegation in a Notice of

Charges that the respondent fails to expressly deny shall be deemed to be admitted. A general denial by the respondent will constitute an admission of all allegations in a Notice of Charges.

(d) If the respondent timely files an answer to a Notice of Charges, the respondent shall be entitled to attend and participate in a hearing pursuant to Rule 613.

RULE 608. Service of Notice of Charges

Documents (including a Notice of Charges) contemplated by this Chapter 6 may be served on any respondent (a) in person to the respondent or an Authorized Representative of the respondent, (b) by delivery to the place of business of the respondent or an Authorized Representative of the respondent, by United States mail, postage prepaid, via registered or certified mail addressed to the respondent at the address as it appears on the books and records of the Exchange, (c) via electronic mail to the electronic mail address of the respondent or an Authorized Representative of the respondent as it appears on the books and records of the Exchange.

RULE 609. Settlements

(a) A respondent at any time after an Investigative Report is completed pursuant to Rule 603 may propose in writing an offer of settlement related to anticipated or instituted disciplinary proceedings.

(b) A respondent or potential respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in the order of the disciplinary proceedings but must accept the jurisdiction of the Exchange over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.

(c) Any offer of settlement should contain proposed findings and sanctions and be signed by the respondent or potential respondent and submitted to the Exchange Regulation Department. The Exchange Regulation Department shall provide a copy of any offer of settlement and its recommendation on whether to accept or reject such offer to the Chief Compliance Officer, the Chief Regulatory Officer and/or the Review Panel considering the matter at issue, or if no Review Panel is considering the matter, then the Hearing Panel convened to consider such matter.

(d) Any preliminary determination by the Chief Compliance Officer to accept the offer shall be submitted for review by the relevant Disciplinary Panel. If the relevant Disciplinary Panel agrees, then the Chief Compliance Officer shall conditionally accept an offer of settlement, and that the settlement will become final upon the expiration of 20 days after an order of the disciplinary proceedings consistent with the terms of the offer of settlement is served on the respondent.

(e) If an offer of settlement is accepted by the relevant Disciplinary Panel, the panel accepting the offer must issue a written decision specifying the rule violations it has reason to believe were committed, including the basis or reasons for the panel's conclusions, and any sanction to be imposed, which must take into account the respondent's disciplinary history and include full customer restitution where harm to a customer and the customer's identity can be reasonably determined. If an offer of settlement is accepted without the agreement of the Exchange Regulation Department, Chief Compliance Officer, the decision must adequately support the Disciplinary Panel's acceptance of the settlement. If applicable, the decision must also include a statement that the respondent has accepted the sanctions imposed without either admitting or denying the rule violations.

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

(g) If the offer of settlement of a respondent or potential respondent is not accepted by agreement between the Chief Compliance Officer and the relevant Disciplinary Panel, fails to become final or is withdrawn by the respondent or potential respondent, the matter will proceed as if the offer had not been made and the offer and all documents relating to it will not become part of the record. Neither a respondent or potential respondent nor the Exchange Regulation Department may use an unaccepted offer of settlement as an admission or in any other manner at a hearing of, or appeal from, disciplinary proceedings.

RULE 610. Disciplinary Panels

(a) **Review Panel.** The Review Panel shall review completed Investigative Reports in order to determine whether a reasonable basis exists for finding of a violation by the respondent and for authorizing the issuance of a Notice of Charges against such respondent.

(b) **Hearing Panel.** The Hearing Panel shall conduct hearings in connection with any disciplinary proceedings (except for summary impositions of fines pursuant to Rule 617), to make findings, render decisions, and impose sanctions pursuant to this Chapter 6.

(c) **Panel Members.** The Board shall appoint individuals at the recommendation of the Chief Compliance Officer, each to serve for a term of one-year, subject to reappointment by the Board, as potential participants on the Disciplinary Panels. The Chief Compliance Officer shall recommend at least three individuals who would satisfy the conditions for being deemed a Public Director and at least three individuals who represent the views of the applicable market participants). The term of an individual that has been selected as a member of a Disciplinary Panel will not expire until the related proceedings are completed.

(d) **Chairperson.** The chairperson of any Review Panel or Hearing Panel shall be a Public Participant.

(e) **Disciplinary Panel Selection.** The Chief Compliance Officer shall randomly select a Review Panel and Hearing Panel prior to the commencement of any investigative or disciplinary matter from the potential members of Disciplinary Panels appointed by the Board pursuant to Rule 610(c). Each Disciplinary Panel shall be selected by randomly choosing at least one Public Participant and the remaining individuals from those representing the views of the applicable market participants, with the latter being chosen in a manner that prevents any group or class of industry participants from dominating or exercising disproportionate influence on the Disciplinary Panel being formed.

(f) If an individual selected is an Interested Person or if a member of the Disciplinary Panel later becomes an Interested Person, a replacement for such individual shall be randomly selected by the Chief Compliance Officer.

(g) Within 10 days of being notified of the appointment of the Disciplinary Panel, a respondent may seek to disqualify any individual named to the Disciplinary Panel for the reasons identified in Rule 215 or for any other reasonable grounds, including that such individual has a financial interest in the matter, by serving written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The general counsel of the Exchange 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.

(h) No person shall serve on a Disciplinary Panel unless such person has agreed in writing that he or she will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or any other information which may come to his attention in his official capacity as a member of the Disciplinary Panel, except when reporting to the Board or to a committee concerned with such information or to the Exchange Regulation Department, when requested by any Government Agency or Self-Regulatory Organization, or when compelled to testify in any judicial or administrative proceeding.

(i) At least one member of each Disciplinary Panel must be a person who is not a member of the Exchange whenever such Disciplinary Panel is acting with respect to a disciplinary action in which:

(i) The subject of the action is a member of the Exchange's Board or a disciplinary committee of the Board; or

(ii) Any of the charged, alleged or adjudicated violations involve:

(A) Manipulation or attempted manipulation of the price of a commodity, a futures contract or an option on a futures contract, or

(B) Conduct which directly results in financial harm to a non-member of the Exchange.

(j) That each Disciplinary Panel include sufficient different membership interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the Disciplinary Panel's responsibilities.

(k) All information, records, materials and documents provided to the Disciplinary Panel and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Investigation or as required by law.

RULE 611. Convening Hearings of Disciplinary Proceedings

(a) A hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Hearing 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 Hearing Panel will promptly convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Exchange Regulation Department.

(c) The chair of the Hearing Panel may continue, adjourn or otherwise conduct the hearing, as he or she may deem appropriate. The chair of the Hearing Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chair of the Hearing Panel will not be bound by any evidentiary or procedural rules or law. Once admitted during the hearing, the Hearing Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The general counsel of the Exchange, or its designee, will provide guidance to the chair of the Hearing Panel on the conduct of the hearing.

(d) Except for procedural and evidentiary matters decided by the chair of the Hearing Panel pursuant to Rule 611(c) and Rule 612, unless each respondent otherwise consents, the entire Hearing Panel must be present during the entire hearing and any related deliberations.

RULE 612. Respondent 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 tangible evidence in the possession or under the control of the Exchange that the Exchange Regulation Department will use to support the allegations and proposed sanctions in the Notice of Charges or which the chair of the Hearing Panel deems relevant to the disciplinary proceedings. Notwithstanding the first sentence in this Rule 612(a), no respondent will have the right to review, and the Exchange will have no obligation to disclose, any documents that are privileged or constitute attorney work product, documents that were prepared by an

employee of the Exchange but will not be offered in evidence at the hearing, documents that may disclose a technique or guideline used in examinations, investigations or enforcement proceedings, or documents that disclose 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 Exchange Regulation Department, the Exchange Regulation 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 Exchange Regulation 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 Exchange Regulation Department intends to rely on to support the allegations or proposed sanctions in the Notice of Charges.

(d) For purposes of this Rule 612, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or liquidating positions, the identity of any Person, and the personal finances of any Person.

RULE 613. Conducting Hearings of Disciplinary Proceedings

(a) At a hearing conducted in connection with any disciplinary proceedings, the Exchange Regulation Department will present its case supporting the allegations and proposed sanctions in the Notice of Charges to the Hearing Panel. If a respondent has timely filed an answer to the Notice of Charges in accordance with Rule 607, the respondent is entitled to attend and participate in the hearing.

(b) At a hearing conducted in connection with any disciplinary proceedings, the Hearing Panel or the Exchange Regulation Department and each respondent may:

(i) present evidence and facts unless determined irrelevant or inadmissible by the chair of the Hearing Panel;

(ii) call and examine witnesses; and

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

(c) If the respondent has failed to file an answer, has filed a general denial, or otherwise has failed to expressly deny any allegation in the Notice of Charges, the chair of the Hearing Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the Notice of Charges, or otherwise) unless the Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Hearing Panel will adjourn the hearing and direct the respondent to promptly file a written answer in accordance with Rule 607.

(d) Any Person entitled, or required or called upon, to attend a hearing before a Hearing Panel pursuant to Rule 613(b)(ii) will be given reasonable notice, confirmed in writing, specifying the date, time

and place of the hearing, and the caption of the disciplinary proceedings. Any Person that is called as a witness is required to appear at the hearing him- or herself if such Person is an individual or by a duly authorized officer or another appropriate representative if such Person is a juridical entity, and where applicable, produce evidence. The Exchange will make reasonable efforts to secure the presence of any Person called as witnesses whose testimony would be relevant.

(e) If during any disciplinary proceedings the Hearing Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule of the Exchange or a provision of Applicable Law other than the violations alleged in the Notice of Charges, the Hearing Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 607. In connection with considering apparent violations pursuant to this Rule 613(e), the Hearing Panel may request that the Exchange Regulation Department provide the Hearing Panel with any additional information related to the violations at issue.

(f) The Hearing Panel may summarily impose sanctions on any Person that impedes or delays the progress of a hearing (including by failing to comply with the obligations of such Person under Rule 613(d)).

(g) The Exchange will arrange for any hearing conducted in connection with disciplinary proceedings to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription. If a transcript of the hearing is requested by the CFTC staff or the respondent, the decision of the Hearing Panel is appealed pursuant to Rule 616, or is reviewed by the CFTC pursuant to § 8c of the CEA or part 9 of Chapter 38 of the CFTC Regulations, the Exchange shall produce a transcript of the hearing; provided, however, that the costs of transcribing the hearing shall be borne by the respondent if the respondent requests the transcript, appeals the decision of the Hearing Panel pursuant to Rule 616, or submits an application for the decision of the Hearing Panel to be reviewed by the CFTC and such application is granted.

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

RULE 614. Decision of Hearing Panel

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

(b) The Exchange will serve each of the respondents and the Exchange Regulation Department with a copy of the order of the Hearing Panel. The order will include:

- (i) the Notice of Charges or summary of the charges;
- (ii) the answer, if any, or a summary of the answer;
- (iii) a brief summary of the evidence introduced at the hearing or, where appropriate, incorporation by reference of the Investigative Report;
- (iv) a statement of findings and conclusions concerning each charge, including a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge;
- (v) a reference to each specific Rule or provision of Applicable Law that the respondent is found to have violated;

(vi) a declaration of all sanctions imposed against the respondent, if any, including the basis for such sanctions and the effective date of each sanction; and

(vii) notice of the respondent's right to appeal pursuant to Rule 616.

(c) Unless a timely notice of appeal is filed pursuant to Rule 616, the order of the disciplinary proceedings will become final upon the expiration of 20 days after the order is served on the respondent and provided to the Exchange Regulation Department.

RULE 615. Sanctions

(a) After notice and opportunity to be heard in accordance with the Rules, the Exchange shall impose sanctions on the respondent if the respondent is found to have violated or to have attempted to violate any Rule or provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction. All sanctions must take into account the respondent's disciplinary history, shall be commensurate with the violations committed, and shall be sufficient to deter recidivism or similar violations. In the event of demonstrated customer harm, any sanction must also include full customer restitution, except where the amount of restitution, or to whom restitution should be provided, cannot be reasonably determined.

The Exchange 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 Person found to have committed the same rule violation within a rolling twelve month period;

(ii) censure;

(iii) termination, suspension or restriction of Trading Privileges, ability to otherwise access the Platform, or the imposition of other limitations on any activity on or through the Exchange;

(iv) subject to Rule 615(b), a fine;

(v) restitution;

(vi) disgorgement; or

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

(b) If a fine or other amount is not paid within 30 days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three percent. The Exchange has sole discretion to select the bank on whose quotations to base the prime rate. Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders, Direct Access Customers or Sponsored Access Customers.

RULE 616. Appeal from Hearing Panel Decision, Summary Impositions of Fines and Other Summary Actions

(a) A Person found by the Hearing Panel to have violated any of the Rules or a provision of Applicable Law or who is subject to any summary fine imposed pursuant to Rule 617 or any summary action imposed pursuant to Rule 618 may appeal the decision within 20 days of receiving the order of the disciplinary proceedings or the notice of summary action, as the case may be, by filing a notice of appeal with the Chief Compliance Officer. While an appeal is pending, the effect of the order of disciplinary proceedings or the summary action (including any sanctions, remedies or costs imposed thereby) shall be

suspended, except as provided in Rule 613(f) with respect to any denial or limit on Trading Privileges or ability to otherwise access the Platform.

(b) The notice of appeal must state in writing the grounds for appeal, identifying each finding of fact, conclusion and sanctions to which the appellant objects. An appellant may appeal the order of disciplinary proceedings or any summary decision on the grounds that:

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

(ii) the order or decision exceeded the authority or jurisdiction of the Hearing Panel, the Chief Compliance Officer, or the Exchange;

(iii) the order or decision failed to observe required procedures;

(iv) the order or decision was unsupported by the facts or evidence; or

(v) the imposed sanctions, remedies or costs are inappropriate or unsupported by the record.

(c) The Chief Compliance Officer will forward copies of any notice of appeal received by it to all parties to the disciplinary proceeding or summary action, as the case may be, except the appellant. On or before the 20th day after filing a notice of appeal, the appellant must file with the Chief Compliance Officer and serve on the Exchange Regulation Department a brief supporting the notice of appeal and documents supporting the brief. On or before the 20th day after the date on which the appellant serves supporting brief, the appellee must file and serve its brief in opposition with the Exchange Regulation Department. On or before the 10th day after the date on which the appellee serves its brief in opposition, the appellant must file and serve a brief in reply with the Exchange Regulation Department.

(d) In connection with any appeal, the Exchange Regulation Department will furnish to the Chief Compliance Officer and to the respondent a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal and briefs filed to support and oppose the appeal.

(e) Within 30 days after the last submission filed pursuant to Rule 616(c), the Board will appoint an Appeal Panel to consider and determine the appeal. The Board shall appoint individuals at the recommendation of the Chief Compliance Officer to serve on the Appeal Panel for a term of one year, subject to reappointment by the Board, as potential participants on Appeal Panels. The Chief Compliance Officer's recommendation shall include Public Participants. The term of an individual that has been selected as a member of an Appeal Panel will not expire until the related proceedings are completed. No individual appointed to an Appeal Panel shall be a member of the Exchange Regulation Department or have been a member of any Disciplinary Panel involved in the matters on appeal.

(f) The chair of the Appeal Panel shall be a Public Participant.

(g) Within 10 days of being notified of the appointment of the Appeal Panel, an appellant may seek to disqualify any individual named to the Appeal Panel for the reasons identified in Rule 215 or for any other reasonable grounds, by serving written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the appellant will be deemed to have waived any objection to the composition of an Appeal Panel. The general counsel of the Exchange will decide the merits of any request for disqualification within his or her sole discretion.

(h) The Appeal Panel will hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeal Panel may appoint an expert to attend any hearing and assist in the deliberations if such individuals

agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeal Panel will not be bound by evidentiary or procedural rules or law.

(i) The Appeal Panel will only consider on appeal the record before the Hearing Panel or, in the case of a summary action, the record considered by the Chief Compliance Officer, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeal Panel may only consider new evidence when the Appeal Panel determines that good cause exists as to why the evidence was not introduced during the disciplinary proceeding or when imposing the summary action.

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

(k) As promptly as reasonably possible following its review, the Appeal Panel will issue a written decision based on the weight of the evidence before the Appeal Panel. The decision of the Appeal Panel will include a determination for each finding, conclusion and sanction reviewed on appeal; provided, however, that the Appeal Panel need not make any determination with respect to a finding, conclusion or sanction if making such finding or reaching such conclusion would have no effect on the sanctions, remedies or costs imposed on the parties to the appeal.

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

RULE 617. Summary Imposition of Fines

(a) The Chief Compliance Officer may summarily impose a fine against a Subject Person on account of conduct by such Subject Person, any Person, Customer or Client of such Subject Person, or any Person using any Firm ID, User ID or Admin ID assigned to such Subject Person, for failing:

(i) to make timely payments of original or variation margin, fees, cost, charges or fines to the Exchange;

(ii) to make timely and accurate submissions to the Exchange of notices, reports or other information required by the Rules; and

(iii) to keep any books and records required by the Rules.

(b) The Exchange Regulation Department, acting on behalf of the Chief Compliance Officer, will give notice of any fine imposed pursuant to this Rule 617 to each Person subject thereto. The notice will specify:

(i) the violations of the Rules for which the fine is being imposed;

(ii) the date of the violation for which the fine is being imposed; and

(iii) the amount of the fine.

Within 20 days of serving the notice of fine, the relevant Person must either pay or cause the payment of the fine or file notice of an appeal pursuant to Rule 616. Unless timely notice of appeal is filed pursuant to Rule 616, the fine will become final upon the expiration of 20 days after the notice of fine is served on the Person.

(c) The Exchange will set the amount of any fines imposed pursuant to this Rule 617, with a minimum fine of \$1,000 and a maximum fine not to exceed \$5,000. Summary imposition of fines pursuant to this Rule 617 will not preclude the Exchange from bringing any other action against such Person.

RULE 618. Emergency Suspensions and Other Disciplinary Actions

(a) Notwithstanding anything in the Rules to the contrary, the Chief Compliance Officer, after consultation with the Regulatory Oversight Committee, if practicable, may summarily suspend, revoke, limit, condition, restrict or qualify any Person's access to, or use of, the Platform, and may take other summary action against any Person in accordance with the Rules (any such action, an "Emergency Disciplinary Action"); provided, however, that the Chief Regulatory Officer must reasonably believe that such Emergency Disciplinary Action is necessary to protect the best interest of the marketplace served by the Exchange.

(b) Whenever practicable, the Exchange shall provide prior written notice to the Person and any Subject Person on whose behalf such Person may be acting for, against whom any Emergency Disciplinary Action will be taken. If prior notice is not practicable, the Exchange will give notice at the earliest possible opportunity to the respondent against whom the Emergency Disciplinary Action is brought. The notice shall state the Emergency Disciplinary Action taken or to be taken, as applicable, briefly state the reasons for the Emergency Disciplinary Action, and state the effective time and date, and duration of the Emergency Disciplinary Action.

(c) As soon as is reasonably practicable following provision of a written notice pursuant to Rule 618(b), there shall be a hearing pursuant to Rule 611, Rule 612, Rule 613, and Rule 614; provided, however, that the notice served pursuant to Rule 618(b) shall be used instead of a Notice of Charges; provided, further, that the decision of the Hearing Panel shall specify a description of the Emergency Disciplinary Action, the reasons for the Emergency Disciplinary Action, a summary of the evidence produced at the hearing, a statement of findings and conclusions, a determination that the Emergency Disciplinary Action should be affirmed, modified or reversed, and a declaration of any action to be taken pursuant to such determination as well as the effective time, date and duration of such action (rather than the information required by Rule 614(b)).

(d) The decision of the Hearing Panel convened to dispose of an Emergency Disciplinary Action shall be appealable pursuant to Rule 616. A respondent may offer to settle the Emergency Disciplinary Action pursuant to Rule 609 without regard to whether an Investigation has been completed.

(e) At the request of the Exchange, a respondent against whom an Emergency Disciplinary Action is brought must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before, the Exchange in connection with the enforcement of any of the Rules or provision of Applicable Law.

RULE 619. Rights and Responsibilities after Suspension or Termination

(a) When a Person's access to, or use of, the Platform is suspended for a period of 12 months or less, none of its rights (including the right to hold oneself out to the public as a Participant, Direct Access Customer, or Sponsored Access Customer to enter Orders into the Platform and to receive rates for fees, costs, and charges and deposit margin that are conditional on its status as a Participant, Direct Access Customer, Sponsored Access Customer, if applicable) will apply during the period of the suspension, except for the right of such Person to assert claims against others as provided in the Rules. Any suspension does not affect the rights of creditors of any Person under the Rules or relieve any Person of its obligations (including obligations to perform under any Contract to which such Person is a party, or obligations to pay any Exchange fees, costs, or charges incurred during the suspension). The Exchange may discipline a suspended Person under this Chapter 6 for any violation by such Person of the Rules or any provision of Applicable Law committed by such Person before, during or after the suspension.

(b) When a Subject Person's status as a Subject Person or any Authorized Trader or Administrative User, thereof, has been terminated, or when the Trading Privileges or the ability to otherwise access the Platform of a Subject Person or an Authorized Trader or an Administrative User have been terminated, (i) all of such Subject Person's or its Authorized Trader's or Administrative User's related rights will terminate, except for the right of such Subject Person or Authorized Trader or Administrative User to assert claims against others, as provided in the Rules, and (ii) the status, Trading Privileges or ability to otherwise access the Exchange of such Subject Person or any Authorized Trader or Administrative User may only be reinstated by such Subject Person applying for such status, Trading Privileges or ability to otherwise access the Exchange pursuant to the Rules. Any such termination will not affect the rights of creditors of such Subject Person under the Rules.

(c) The Exchange will not consider the application of a terminated Subject Person if such Subject Person continues to fail to appear at disciplinary proceedings without good cause or continues to impede the progress of disciplinary proceedings.

(d) In the event of the suspension or revocation of a Subject Person's Trading Privileges or the ability to otherwise access the Platform, the Exchange may postpone the effective date of such suspension or revocation if it is in the best interest of Customers or Clients serviced by the Subject Person.

RULE 620. Notice to the Respondent and the Public

The Exchange will provide written notice of disciplinary proceedings to each of the parties consistent with applicable CFTC Regulations. Whenever the Exchange suspends, expels, fines or otherwise disciplines, or denies any Person access to the Exchange, the Exchange will make the public disclosures required by CFTC Regulations.

CHAPTER 7
ARBITRATION RULES and GOVERNING LAW

RULE 701. Arbitration Forum and Applicable Rules

The Exchange offers an alternative dispute resolution forum through NFA for all Persons involved in disputes arising from any activity on or through the Platform. If Persons wish to pursue a claim through this dispute resolution forum, NFA will conduct any and all arbitrations described in Rule 702 pursuant to NFA's Member Arbitration Rules as if each party to the arbitration is an "NFA Member." References in the NFA Member Arbitration Rules to an "Associate" of a "NFA Member" shall mean and include any Authorized Trader if such person is filing or is named in the claim. The decision of NFA pursuant to NFA's Member Arbitration Rules shall be final and binding on all parties thereto, and there shall be no appeal to a Hearing Panel of the Exchange.

RULE 702. Disputes Subject to Arbitration

(a) Except as otherwise provided in the Rules and to the fullest extent permitted under Applicable Law, any Person may submit to NFA Arbitration a claim for any dispute between and among one or more Persons arising out of or in connection with any transaction on or through the Platform. NFA must receive any such claim within two (2) years from the time that the Person filing the claim knew, or should have known, of the act or transaction that is the subject of the dispute. This Rule 702 shall in no way be construed to create a cause of action and shall not authorize an action that is otherwise prohibited by these Rules or Applicable Law.

(b) Notwithstanding the foregoing, this rule 702 does not apply to disputes between or among such Persons if:

- (i) such Persons are required by the rules of another SRO to submit to the dispute resolution procedures of that SRO; or
- (ii) such Persons have, by valid and binding agreement, committed to negotiate or litigate in a forum other than the forum set out in Rule 701.

RULE 703. Penalties

The Exchange may summarily suspend, pursuant to Chapter 6, any Person (and any Subject Person on whose behalf such Person may be acting for) that fails to satisfy an arbitration award rendered in any arbitration pursuant to this Chapter 7.

CHAPTER 8
[RESERVED]

(xi)

CHAPTER 9 MISCELLANEOUS

RULE 901. Contract Specifications

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

RULE 902 Post-Trade Processing

Subject Persons shall permit the Exchange to share with certain third-party post-transactional processing providers, including SDRs, Clearing House routing services, or post-trade allocation systems used by the Exchange, all market data and information that is necessary to support the post-trade processing and confirmation of Transactions.

RULE 903 Gifts and Gratuities

Except as permitted in writing by the Chief Compliance Officer, no Person shall, directly or indirectly, give or permit to be given anything of value, including gifts and gratuities, in excess of one hundred dollars (\$100) per individual per year to a Person publicly known, or known by such Person, to be an Exchange Official.

RULE 904 Market Data

(a) All Participants and all employees, agents, vendors, and other Persons affiliated with the foregoing acknowledge and agree that subject to each Participant's rights in Participant's own data, the Exchange has a proprietary interest in and to all data and other information contained in, displayed on, generated by or derived from the Platform ("Market Data") including:

(i) the price and quantity data from each and every Transaction, including the time at which the Transaction was executed by, or submitted to, the Platform and the Firm ID and User ID under which it was entered (as well as other information identifying persons involved in the Transaction);

(ii) the price and quantity data of each bid and offer submitted to the Platform, including the time at which such bid or offer was submitted to the Platform;

(iii) the yield curves prepared by the Exchange;

(iv) any data and information derived from (i), (ii) and (iii) and the format and presentation thereof; and

(v) the transmission and dissemination of the data and information to Participants, any publisher of the data or information with whom the Exchange has a written agreement, and any other Persons.

(b) Notwithstanding anything in this Rule 904, Participant shall maintain a proprietary interest in any bid, offer or other information that has been entered on the Platform or otherwise provided to the Exchange by Participant or any of its Authorized Traders in connection with any bid, offer or Transaction.

(c) The Exchange may at any time restrict or establish utilization fees in respect of Market Data, with respect to all or any Participants, in order to safeguard the security or operations of the Platform, or to preserve market integrity, fair and orderly trading, or if otherwise in the public interest.

(a) Participants may not distribute, sell or retransmit information displayed on the Platform to any third party.

(b) The Exchange shall not use for business or marketing purposes any proprietary data or personal information it collects or receives, from or on behalf of any person, for the purpose of fulfilling its regulatory obligations, unless consented to, in writing, by such person. Market Data is not information collected for the purpose of fulfilling the Exchange's regulatory obligations.

(c) Notwithstanding Rule 904(b), Rule 904(c) or Rule 904(d), and pursuant to Part 43 and Part 45 of the CFTC Regulations, the Exchange will report certain of the Market Data to the SDR, which shall publicly report such data in a manner that does not disclose the business transactions or market positions of any Participant. Data that is publicly disseminated by the SDR shall be available from an internet website in a format that is freely available and readily accessible to the public.

(d) The CFTC will have access to the Market Data pursuant to Part 43 and Part 45 of the CFTC Regulations.

RULE 905. Extension or Waiver of Rules

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

RULE 906. Governing Law

Unless preempted by the CEA, this Rulebook shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its conflict of laws principles.

CHAPTER 10
[RESERVED]

CHAPTER 11
[RESERVED]

CHAPTER 12 DIGITAL ASSETS

Note: *Settlement Agents may not be required to be registered with the CFTC. As such, the CFTC does not regulate or have any oversight responsibilities for the Settlement Agents or the Settlement Services Agreements between the Settlement Agents and trueEX Participants. However, a Settlement Agent whose services include acting as a Prime Broker intermediating trades for Participants and their Customers and/or Clients may require CFTC registration. Tassat Participants should undertake their own due diligence to assess both the Settlement Agents and the terms and conditions of the Settlement Services Agreements.*

RULE 1201. Scope

This chapter applies to the trading of Digital Asset Products on Tassat, which shall be subject to the Tassat's Rules, including this Chapter 12. In the event of an inconsistency between Chapters 1 through 10 and this Chapter 12, Chapter 12 shall govern. All Digital Asset Products shall be Uncleared Transactions.

RULE 1202. Trading Digital Asset Products

Prior to entering an Order for a Digital Asset Product, each Participant shall have agreements in place, including a Settlement Services Agreement, that satisfy the requirements of these Rules, and comply with Order and RFQ entry requirements for Uncleared Transactions that the Exchange shall establish from time to time.

RULE 1203. Settlement Agent

(a) A Person is eligible to become, and continue to be, a Settlement Agent for Digital Asset Products executed on or through trueEX by entering into a legally binding agreement with trueEX. The responsibilities of the Settlement Agent are to:

- (i) Provide cash settlement services for Participants and their Customers and/or Clients for final settlement;
- (ii) Provide cash settlement services throughout the lifecycle of a Transaction, including margining, if Participants and their Customers and/or Clients are unable to do so;
- (iii) Set, monitor, and manage collateral limits for Participants and their Customers and/or Clients on the SEF Trading System and must use automated means to screen Orders using such collateral limits. trueEX shall provide Settlement Agent with means to facilitate such screenings via its Collateral Monitoring Tools, as described in Rule 1214;
- (iv) Provide prime brokerage services to allow for Participants to enter into Prime Broker Trades on the SEF Trading System if the Settlement Agent is a Prime Broker.
- (v) Assist the Exchange in any investigation into potential violations of the Rules or Applicable Law which occur through or with respect to any Transaction executed by its customers; provided that such assistance must be timely and may include the Settlement Agent being required to produce documents, to answer questions from the Exchange, or to appear in connection with an investigation;
- (vi) Maintain all required and necessary regulatory approvals or licenses to operate as a Settlement Agent;
- (vii) Notify the Exchange upon becoming aware of any material changes to the information or documentation provided to the Exchange; and

(viii) For any Person organized or located outside of the United States, such Person shall enter into a written agreement acceptable to the Exchange appointing a third party as its U.S. agent for service of process for purposes of CFTC Regulation §15.05, and shall provide the Exchange with a copy of the agreement and any change to such appointment.

(b) **Withdrawal.** A Settlement Agent may cease to act in that capacity subject to the termination provisions of its contractual agreement with the Exchange.

(c) A Settlement Agent shall be solely responsible for controlling and monitoring the use of all Admin IDs issued to its Authorized Users by the Exchange. Settlement Agent shall notify the Exchange promptly upon becoming aware of any unauthorized access to the Platform or any unauthorized disclosure or use of any Admin ID assigned to any of its Authorized Users and of any other reason for terminating an Authorized User's access or deactivating an Admin ID. Settlement Agent shall be bound by any actions taken by its Authorized Users (other than any such actions resulting from the fault or negligence of the Exchange), whether or not such actions were taken or authorized by such Settlement Agent.

(d) A Settlement Agent that has agreed to provide cash settlement services, including margining and final settlement, for Digital Asset Products executed on trueEX by a Participant for its own account, or on behalf of the Participant's Customers or Clients, must establish collateral limits for the account(s) for which it settles Transactions, as applicable, and use automated means to screen Orders using such collateral limits. trueEX shall provide Settlement Agent with means to facilitate such screenings via its Collateral Monitoring Tools, as described in Rule 1214.

RULE 1204. Execution Methods

(a) Anonymous Order Book

(i) All Orders are matched with each other and executed electronically through the SEF Trading System in accordance with an algorithm that gives first priority to Orders at the best price and priority among Orders entered at the same price based on the length of time such Order has been resting.

(ii) Orders to buy or sell any Digital Asset Product are subject to subsection (d) of this Rule and the minimum trading requirements specified in the relevant Contract rules.

(iii) SEF Trading System shall perform a pre-trade collateral check on all Orders entered. If the Order is within the collateral limits set by the Settlement Agent, the Order shall be accepted, and is firm and executable.

(iv) All activity that takes place on Order Book of the SEF Trading System is anonymous and the names of the parties are not disclosed to the counterparties or to the market as a whole.

(v) Without limiting the generality of the foregoing, the algorithm to match Orders entered in the order book of the SEF Trading System is based upon the following principles:

(A) Limit Order. A Limit Order will be executed when entered to the extent that there are resting contra-Orders, with any balance of such Limit Order to remain as a resting Order until such Limit Order is executed or is cancelled. Limit Orders must be entered with a user-defined limit price. All Limit Orders shall be cancelled by the SEF Trading System when an Authorized Trader logs out, and no later than at the conclusion of Trading Hours on each Trading Day.

(B) Spread Trade. A spread trade shall consist of a transaction which has two components that are executed simultaneously: first the purchase of one Maturity Date of a given Digital Asset Product, and second the sale of a different Maturity Date of the same Digital Asset Product.

(vi) Modification and Cancellation of Orders shall be as provided in Rule 523.

(b) Request for Quote (“RFQ”)

(i) The SEF Trading System provides RFQ functionality as a method of execution through Core RFQ.

(ii) RFQ allows a Requester to send an RFQ to buy or sell a Contract or Spread Trade to Respondents. trueEX has no restrictions on who is eligible to be a Requester or Respondent and provides all Participants with equal priority in receiving RFQs and responding to such RFQs. The protocols for executing a Transaction using Core RFQ can be found in Table 1204 below.

(iii) RFQ is a fully disclosed method of execution.

Table 1204 – Core RFQ Protocols

General
<ol style="list-style-type: none">1. Transactions on Core RFQ can be 1 (outright), or 2 (Spread Trade) line items2. Single Reference Asset per Transaction3. Each Respondent knows how many other Respondents there are but their names and actions are not disclosed to each other, only to Requester.<ol style="list-style-type: none">a. There is no requirement for Requester to select best price or wait for all Respondents to provide a price.4. If a Respondent changes or cancels a price, the original price is no longer actionable by the Requester.5. Requester can send target level or request to refresh price to all active Respondents in RFQ session.
RFQ Workflow
<ol style="list-style-type: none">1. Requester transmits an RFQ to desired number of Respondents.<ul style="list-style-type: none">o The session will automatically be cancelled if execution has not occurred by the earlier of 30 minutes from the time RFQ is sent, or market close.2. Respondent(s) receive notification of RFQ and can take the following actions:<ul style="list-style-type: none">o Pass (Respondent is not interested and will not receive any further updates on that specific RFQ session).o Submit a price to the Requester (and subsequently may update or cancel a price that has already been sent).o All prices sent by the Respondent are subject to Requester’s acceptance and final affirmation by Respondent before execution occurs.3. Requester can take the following actions:<ul style="list-style-type: none">o Cancel the RFQ sessiono Ask for prices to be refreshedo Accept one of the Respondent’s prices, which starts an Affirmation Session that lasts for 30 seconds.4. When an Affirmation Session starts, the selected Respondent can take the following actions:<ul style="list-style-type: none">o Execute. The execution must take place no later than 30 minutes after the initial RFQ was sent by Requester.o Update the price that was accepted. RFQ session returns to step 3 for action by Requester (including acceptance of price from other Respondent).o Cancel the price that was acceptedo Do nothing. Session expires

(c) Pre-Negotiated Trade Portal.

(i) A Person may arrange with another Person for the execution of a Digital Asset Product listed on the SEF Trading System and submit such Transaction details to the Pre-Negotiated Trade Portal provided that they comply with Rule 524(c)(ii).

(ii) Transactions booked through the Pre-Negotiated Trade Portal are fully disclosed.

(d) Prime Broker Trades.

(i) Any Participant that elects to use the anonymous Order Book must have a relationship with a Prime Broker. In the event a trade is executed between two Participants using the same Prime Broker, upon execution, the buyer of the swap will be deemed to be acting on behalf of the Prime Broker and the seller of the swap will be deemed to be acting as principal.

(ii) A relationship with a Prime Broker is not required for any fully disclosed method of execution; provided however, that each party to the Transaction has previously-negotiated freestanding agreements with each other.

(iii) A Participant is not precluded from executing a Transaction using a fully disclosed method of execution as a Prime Broker Trade. In the event that a trade is executed between two Participants using the same Prime Broker, upon execution, the buyer of the swap will be deemed to be acting on behalf of the Prime Broker and the seller of the swap will be deemed to be acting as principal.

(iv) Notification of Prime Broker Trade. trueEX will provide a Transaction Confirmation pursuant to Rule 546 to the Prime Broker as counterparty to a Prime Broker Trade. The Participant acting on behalf of the Prime Broker must also notify the Prime Broker of a Prime Broker Trade if required to do so pursuant to the Settlement Services Agreement.

(e) Notwithstanding the foregoing, all Transactions executed in Digital Asset Products are Permitted Transactions and pursuant to CFTC Regulation 37.9(c)(2), trueEX may offer any method of execution.

RULE 1205. Trade Cancellation and Price Adjustments

(a) Trade Cancellation and Price Adjustments.

(i) Subject to this Rule, the Board or a designee of the Board has authority to adjust trade prices or cancel (“bust”) trades on the Tassat Division.

(ii) A Prime Broker shall have the right to cancel any Prime Broker Trade, subject to the terms of paragraph (c).

(b) Trade Cancellation by the Board.

(i) The Board or a designee of the Board has authority to adjust trade prices or cancel (“bust”) trades on the Tassat Division when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Platform, system defects, or for any reason deemed necessary by the Exchange needed to comply with Applicable Law.

(ii) Tassat No Bust Ranges. The Board or a designee of the Board may not adjust trade prices or cancel (“bust”) trades on the Tassat Division that fall within the following “no bust” ranges as determined by the Board or its designee.

Contract	No Bust Range
XBT/USD Deliverable Swap	The price equivalent of 5% of the average of the best bid and offer at the time of execution.

(c) Trade Cancellation by the Prime Broker. A Prime Broker shall have the right to cancel a Prime Broker Trade that:

- (i) is executed in excess of a limit established by the Prime Broker with respect to the Prime Broker Trade,
- (ii) was executed by a Participant not authorized by the Prime Broker, and/or
- (iii) was executed for a product not authorized by the Prime Broker.

Provided that the Prime Broker shall communicate the cancellation directly to the Exchange no later than 6 hours (as defined by each Prime Broker in its Settlement Services Agreement) after the time of execution of the Prime Broker Trade, and indicate the reason for such cancellation.

(d) Any Prime Broker Trade cancelled pursuant to section (c) above will be deemed to be *void ab initio*.

RULE 1206. Price Limits and Trading Halts

(a) Price Limits. Digital Asset Products are not subject to daily price limits.

(b) Trading Halts. The following price movements in Digital Asset Products shall be a triggering event that shall result in a trading halt. For the avoidance of doubt, in the event of a trading halt, the trading of all Maturity Dates of Digital Asset Products with the same Trading symbol will cease and resting Orders in the affected Digital Asset Product, existing at the time of the halt shall be automatically cancelled, as provided in Rule 523. For any given Trading Day, the first triggering event for trading halts shall be calculated based upon the Tassat Opening Price, but may be adjusted by the Exchange, in its sole discretion, to account for price movements on the (a) Exchange when the prior calendar day is not a Trading Day and/or (b) underlying reference price, when price movements occur on a day which is not a Trading Day

(i) Trading in a Digital Asset Product shall be halted for two minutes if a Transaction in a Maturity Date occurs at a price that is greater than or equal to 25% above or below the Tassat Opening Price of that Contract (the Transaction that triggers an initial trading halt and each related Transaction that triggers a subsequent trading halt, if any, a "Triggering Price");

(ii) After trading commences following a two-minute trading halt, trading in the Digital Asset Product shall be subject to an additional trading halt of three minutes if a Transaction in a Maturity Date occurs at a price that is greater than or equal to 10% above or below the most recent Triggering Price;

(iii) After trading commences following an additional three-minute trading halt, trading in the Digital Asset Product shall be subject to further trading halts, of a duration of five minutes each time if a Transaction in a Maturity Date occurs at a price that is greater than or equal to 10% above or below the most recent Triggering Price

RULE 1207. Margin for Digital Asset Products and Early Termination Events

In accordance with Applicable Law, Participants trading Digital Asset Products must comply with the following margin and other requirements:

(a) Margin Requirements. The Exchange shall set minimum margin requirements for Digital Asset Products in collaboration with each Settlement Agent, as appropriate, and will notify Participants of

such requirements and the method of calculation. The margin methodology used by the Exchange and Settlement Agent (if applicable) will be made available to Participants upon request.

(b) **Additional Margin.** The Settlement Agent, in its discretion, may require additional margin in excess of the minimum set by the Exchange if so requested by the counterparties to a Transaction or as agreed in the Settlement Services Agreement or related documentation.

(c) **Initial Margin.** Each Trading Day the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the value of new positions established that day and shall promptly notify each counterparty of the required amount of initial margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of initial margin.

(d) **Variation Margin.** Each Trading Day, the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the current valuation of all open positions and notify each counterparty of the required amount of variation margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of variation margin.

(e) **Forms of Margin.** Collateral allowed to meet initial and variation margin Requirements must be in a form required pursuant to Applicable Law and subject to the Settlement Services Agreement and any related documentation. .

(f) **Failure to Pay Margin.** If a counterparty fails to promptly provide the required margin, the Settlement Agent and/or the opposite counterparty shall have the rights and remedies provided in the Settlement Services Agreement. The Settlement Agent may, in addition to actions set forth under paragraph (g) of this section, elect to reduce or eliminate credit limits for such counterparty. In addition, the Exchange, in its discretion, may take disciplinary action as set forth in Chapter 6 of the Rulebook.

(g) **Early Termination Events or Events of Default.** In the event of a termination event or event of default with respect to one or more counterparties to a Prime Broker Trade, a Prime Broker may terminate, effect early close-out, or take any other action with respect to one or more Prime Broker Trades in accordance with applicable law and as provided in the relevant agreements, including without limitation a Settlement Services Agreement.

RULE 1208. Daily Settlement Prices for Digital Asset Products

(a) Daily Settlement Prices shall be calculated each Trading Day by the Exchange for each Maturity Date of the Digital Asset Products. The Daily Settlement Price may go out four decimal places and may be a price that is not a minimum increment for Digital Asset Products.

(b) Daily Settlement Prices will be calculated in accordance with the *Daily Settlement Price Methodology for Bitcoin Swap Contracts* (available on the Exchange's Web Site).

(c) The Exchange reserves the right to take into account other factors in determining Daily Settlement Prices.

RULE 1209. Reserved

RULE 1210. Final Settlement Procedures for Tassat Deliverable Swap Products

(a) All counterparties taking part in the delivery process for Tassat Deliverable Swap Products must have a relationship with a Settlement Agent for the purposes of holding fiat currency until delivery of the Reference Asset has been confirmed.

(b) Final Settlement Procedures for Tassat Deliverable Swap Products shall be agreed between Tassat and each Settlement Agent. Such procedures shall be made available on the Exchange's website.

(c) Settlement Failure. In the event that a counterparty fails to fulfill its settlement obligations (payment related to initial margin, variation margin, or Settlement Amount, or to deliver the Reference Asset), then the opposite counterparty and/or the Settlement Agent shall have the rights and remedies provided in the Settlement Services Agreement. If a counterparty fails to deliver the Reference Asset, the final value of the Reference Asset shall be as stated in the (a) Settlement Services Agreement, or (b) the Transaction Confirmation plus a premium or fee as agreed upon by the counterparties. In addition, the Exchange, in its discretion, may take disciplinary action for any such Settlement failure, as set forth in Chapter 6 of the Rulebook.

RULE 1211. Division of Digital Assets

If at any time there is an event or process that results in the division of a digital asset (i.e., a "hard fork") that is a Reference Asset, then the Exchange shall have the right, in its sole discretion, to take action to align the Digital Asset Product position holder's exposures with cash market exposures, as appropriate. Appropriate action may include, without limitation, excluding the new digital asset from the Reference Asset, including new digital asset in the Reference Asset, providing cash adjustments, or assigning newly listed contract position to Tassat position holders.

RULE 1212. Swap Data Reporting

(a) Counterparties shall comply with the requirements of Rule 545 and CFTC Regulations regarding the reporting, and correction, of Required Swap Creation Data and Required Continuation Swap Data.

(b) In the event that the counterparties novate or terminate a Transaction, the Reporting Counterparty shall promptly notify Tassat of such novation or termination.

RULE 1213. Settlement Services Agreements

(a) The settlement services provided by a Settlement Agent with respect to any Contract, and the rights and obligations of buyers and sellers of Digital Asset Products (including rights and obligations in respect of collateral management, initial margining and settlement, variation payments and performance at maturity) shall be governed by the Settlement Services Agreement entered into between the Settlement Agent and Settlement Agent's customers.

(b) In the event of a conflict or inconsistency between the Settlement Services Agreement and the Rules, the Rules shall prevail with respect to any responsibilities or obligations of a Settlement Agent under such Settlement Services Agreement.

RULE 1214. Collateral Monitoring Tools

The Exchange facilitates collateral monitoring by Settlement Agents by providing Collateral Monitoring Tools. The Exchange will allow the Settlement Agent to pre-establish or “push” a collateral limit to the Exchange, which is decremented throughout a Trading Day as applicable Transactions are executed. Settlement Agents may adjust their pre-set limits intra-day with immediate effect.

RULE 1215. XBT/USD Monthly Deliverable Swap

Contract Description	This contract is a swap in which the counterparties agree to buy or sell, at a set price, a specified quantity of the Reference Asset at a specified future date.
Symbol	SWP-XBT-USD-[MYY]
	Tassat
Reference Asset	XBT – Bitcoin
Settlement Currency	USD - United States Dollar
Variation Margin Currency	USD - United States Dollar
Minimum Price Increment	0.01 USD
Quoting Convention	Quantity of Contracts, quoted in whole numbers. Fractional number of Contracts is not permitted.
Contract Size	1 XBT
Minimum Order/Trade Size	5 Contracts
Minimum Size Precision	5 Contracts
Trading Convention	Buy or sell in the amount of Contracts agreed upon by the counterparties
Trade Date	The date on which the parties enter the Transaction
Maturity Date	The last Friday of each of the nearest two serial months, and the nearest two months in the quarterly cycle (Mar, Jun, Sep, Dec).
Margin	Contracts are subject to mandatory margining pursuant to Rule 1207
Initial Notice Day	One USNY business day before the Last Trading Day
Initial Notice Day Business Day Convention	Preceding
Last Trading Day	One USNY business day before the Pre-Settlement Day
Last Trading Time	5:00 pm New York local time on the Last Trading Day
Last Trading Day Business Day Convention	Preceding

Pre-Settlement Day	One USNY business day before the Maturity Date
Pre-Settlement Day Business Day Convention	Preceding
Settlement Date	The Maturity Date agreed upon by the parties, as specified in the Confirmation for the Transaction.
Settlement Date Business Day Convention	Preceding
Settlement Method	Physical delivery, as provided in Rule 1210
Clearing House	None - Uncleared
Speculative Position Limits	<ul style="list-style-type: none"> • Overall Limit: 55,000 contracts in aggregate for all Digital Asset Products for the same Reference Asset. • Primary Contract Limit: 15,000 contracts in aggregate for the Primary Contract of all Digital Asset Products for the same Reference Asset.
Reportable Levels	5 Contracts in aggregate for all Digital Asset Products for the same Reference Asset.
Trading Hours	Trading Hours will commence each Trading Day at 9 am New York local time and end each Trading Day at 5 pm New York local time, with the exception of the Last Trading Day and Last Trading Time defined above.
Holidays	US – New York (USNY)