

The Environmental Exchange, Inc. Rulebook

ANY PERSON INITIATING OR EXECUTING A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE, DIRECTLY OR INDIRECTLY (SUCH AS 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 THE RULES OF THE EXCHANGE IN RELATION TO SUCH TRANSACTIONS TO THE EXTENT APPLICABLE TO SUCH PERSON, INCLUDING, BUT NOT LIMITED TO, RULES REQUIRING COOPERATION AND PARTICIPATION IN INVESTIGATORY AND DISCIPLINARY PROCESSES. ANY FUTURES COMMISSION MERCHANT, INTRODUCING BROKER, ASSOCIATED PERSON, OR FOREIGN PERSON PERFORMING A SIMILAR ROLE, THAT CHARGES A COMMISSION OR FEE IN CONNECTION WITH TRANSACTIONS ON OR SUBJECT TO THE RULES OF THE EXCHANGE ALSO EXPRESSLY CONSENT TO THE EXCHANGE'S JURISDICTION.

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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 Clearing Firm designated by the respective entity to access and use the Platform for administrative purposes only.

Affiliate means, with respect to another Person, any Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with such other Person.

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, ordinance, order, or interpretive guidance of any governmental, judicial, administrative, self-regulatory authority or court applicable to or with jurisdiction over such Person. including the CEA and CFTC Regulations.

Authorized Broker A regulated intermediary approved by the Exchange and authorized by Participants to submit Block Trades on behalf of the Participant.

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

Authorized Representative has the meaning set forth in Rule 308.

Authorized Trader means 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.

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

Block Trade means a privately negotiated trade in a Contract that is permitted to be executed away from the Exchange, and meets quantity thresholds and other requirements set forth in Rule 542.

Board means the board of directors of the Exchange, which manages the Exchange and is constituted from time to time in accordance with the Exchange's bylaws or 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 Executive Officer or **CEO** means the individual appointed by the Board as the Exchange's chief executive officer.

Chief Regulatory Officer or **CRO** means the individual appointed by the Board as the Exchange's chief regulatory officer for the DCM.

Clearing Firm means a Person meeting the requirements of, and approved for, clearing membership at the Clearing House that is authorized pursuant to the Clearing House Rules to clear trades in any or all Contracts. A Clearing Firm that clears Transactions for Customers or Clients must also be registered as an FCM (each, an "**FCM Clearing Firm**"). A Clearing Firm is also granted Trading Privileges and is deemed a Participant.

Clearing House means a Derivatives Clearing Organization that has an agreement with the Exchange to provide clearing services with respect to any or all Contracts.

Clearing House Rules means the certificate of incorporation or equivalent constitutive document, the by-laws and any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by a Clearing House.

Client means a person that has granted investment discretion to a Participant or Sponsored Access Customer to enter Orders, execute Transactions 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.

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

Contract Market has the meaning set forth in CFTC Regulation 1.3(h).

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 power to exercise a controlling influence over the management or policies of a Person. Any Person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of a corporation, or more than 25% of the voting power in the election of directors of any other corporation which directly or through one or more Affiliates owns beneficially more than 25% of the voting power in the election of directors of such corporation, shall be presumed to control such corporation. The terms "controlling" or "controlled" shall have meanings correlative to the foregoing.

Control Desk has the meaning set forth in Rule 538.

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, or for whom a Participant carries an account.

Daily Settlement Price or **Settlement Price** means the price determined pursuant to Rule 905 at the end of each Trading Day by the Exchange for each Contract listed on the Exchange and used to value all open positions at the close of the daily settlement cycle.

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.

Derivatives Clearing Organization or **DCO** has the meaning set forth in § 1a(15) of the CEA.

Designated Contract Market or **DCM** has the meaning set forth in CFTC Regulation 1.3(h).

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

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 Regulatory 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.

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

Eligible Contract Participant has the meaning set forth in §1a(18) of the CEA, as amended.

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 Contracts or Transactions or the timely collection and payment of funds in connection with clearing and settlement by a Clearing House, 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 Contracts or Transactions, including failure of the payment system or the bankruptcy or insolvency of any Person;
- (iv) any action taken by any governmental body, or any other registered entity, board of trade, market or facility (foreign or domestic) which may have a direct adverse effect on trading or clearing and settlement;
- (v) any circumstance that may have a severe, adverse effect upon the operation and facilities of the Exchange, including, but not limited to, acts of God, fire, flood or other natural disasters, bomb threats, acts of terrorism or war, severely inclement weather, or failure or malfunction of all or a portion of the Platform, or other system breakdowns or interruptions such as power, computer, communication, transportation systems, or the internet; or
- (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 212(a).

Emergency Rules has the meaning set forth in Rule 212(a).

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

Exchange means The Environmental Exchange, Inc.

Exchange Compliance 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.

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 210(b).

Exchange Proceeding has the meaning set forth in Rule 213(a).

Expiry means a Contract's date of expiration.

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

Final Settlement Price means the price for each Contract supplied by the Exchange to the Clearing House as the final Settlement Price for the Expiry as specified in the Contract Specifications.

Firm ID means a unique ID assigned by the Exchange to a Participant, which is used to identify such Participant accessing the Platform.

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.

Interested Person has the meaning set forth in Rule 213(a).

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

Investigation means an Investigation conducted by the Exchange Compliance Department pursuant to Chapter 6.

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

Independent Software Vendor or **ISV** means a person who provides technology other than that of the Exchange which 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.

Joint Audit Committee or **JAC** means the Self-Regulatory Organization constituted under CFTC Regulation 1.52(d)(2), including the Exchange in its capacity as a Self-Regulatory Organization.

Joint Compliance Committee or **JCC** means the information-sharing organization, as constituted and convened from time to time, whose members include compliance officials from registered DCMs, including the Exchange.

Market Data has the meaning set forth in Rule 904.

Market Maker has the meaning set forth in Rule 515.

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

Market Participant means a Person who directly or indirectly effects Transactions on the Platform, including, but not limited to, a Participant, a Clearing Firm, or a Sponsored Access Customer, and Customers and Clients of any Participant, Clearing Firm or Sponsored Access Customer.

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).

Minneapolis Grain Exchange or **MGEX** means Minneapolis Grain Exchange, LLC, a CFTC registered DCO.

NFA means National Futures Association.

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.

Participant means a person that is granted Trading Privileges by the Exchange to directly access the Platform to enter Orders and effect Transactions for its own account or on behalf of Customers and Clients.

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.

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

Platform or **Trading Platform** means the electronic trading system of the DCM established and operated by the Exchange, including any licensed software that is a part thereof from time to time, and any successor electronic trading system, for the purpose of executing Transactions in Contracts listed by the Exchange. All trading on the Platform is anonymous.

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 Individual means an individual that is determined by the Board or Chief Regulatory Officer, as applicable, to have no Material Relationship with the Exchange.

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

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 TEX Rulebook.

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

Self-Regulatory Action has the meaning set forth in Rule 213(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.

Serious Disciplinary Offense means, with respect to a natural person, that such person committed any serious disciplinary offense, such as:

(i) 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;

(ii) 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;

(iii) 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;

(iv) 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;

(v) 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

(vi) 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.

Settlement Price or **Daily Settlement Price** means the price determined pursuant to Rule 905 at the end of each Trading Day by the Exchange for each Contract listed on the Exchange and used to value all open positions at the close of the daily settlement cycle.

Sponsored Access is a means by which a Clearing Firm may grant access to the Platform to transmit Orders and execute Transactions electronically on the Platform Exchange via access to a system provided by such Clearing Firm.

Sponsored Access Customer means a Person for whom a Clearing Firm Participant has agreed to provide Sponsored Access to the Platform using the Firm ID of the Clearing Firm Participant. Sponsored Access Customers enter Orders and effect Transactions electronically using credentials granted to the Clearing Firm Participant's front end for order routing.

Sponsored Access Trader means a natural person who is either an employee of, or an agent of, a Sponsored Access Customer and who is authorized to trade on the Platform using credentials granted by the Sponsored Access Customer's Clearing Firm.

Subject Person means any Clearing Firm, Participant or Sponsored Access Customer that has been granted electronic access either directly by the Exchange or through its Clearing Firm, to enter Orders and effect Transactions on or through the Platform.

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.

TEX means The Environmental Exchange, Inc.

TEX Party has the meaning set forth in Rule 537(a).

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

Trading Day shall mean a day on which the Exchange's office is open for business.

Trading Hours means, for any Business Day, the hours during which Orders may be placed on the Platform, 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 and execute Transactions on or through the Platform with direct electronic access.

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 theenvironmentalx.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) Any reference to a gender includes the corresponding masculine, feminine and gender-neutral forms.
- (e) All references to time are to local time in Chicago, Illinois 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," refer to both of the terms, "Trading Privileges" and "Sponsored Access," if applicable in the context in which they are used even if not explicitly stated.

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 Environmental Exchange, Inc. is a Delaware corporation. The management and operation of the Exchange are governed by its bylaws and 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 bylaws or 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 bylaws or 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 bylaws or 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.

(g) Each Director shall satisfy all fitness standards set out in Rule 204 and otherwise meet all the requirements under the CEA and CFTC Regulations for serving as a Director of a DCM.

(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 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.

(j) 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 officers, principals or employees of a firm that is a Participant or Clearing Firm, either in its own name or through an employee on behalf of such firm;

(iii) not be employed by the Exchange; or

(iv) not primarily perform services for the Exchange in a capacity other than as a member of the Board.

RULE 203. OFFICERS

(a) The Board shall appoint a Chief Executive Officer, a Chief Regulatory 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 bylaws or operating agreement.

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

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

(d) Each Officer is entitled to indemnification pursuant to the bylaws or operating agreement with respect to matters relating to the Exchange.

(e) No Officer or employee of the Exchange shall be admitted as a Participant.

RULE 204. QUALIFICATIONS AND ELIGIBILITY/FITNESS OF DIRECTORS, DISCIPLINARY PANEL MEMBERS, APPEAL PANEL MEMBERS, COMMITTEE MEMBERS

(a) A Director must meet the qualifications set forth from time to time in the TEX bylaws or operating agreement.

(b) An individual may not serve as a Director, or serve on any committee established by the Board, a Hearing Panel or a Board of Appeals if the individual:

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

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

(iii) is currently suspended from trading on a Contract Market, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation, or owes any portion of a fine or penalty related to either:

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

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

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

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

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

(vii) is currently subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration panel or governing board of any self-regulatory organization as that term is defined in CFTC Regulation 1.63 and § 3(a)(26) of the Securities the Exchange Act of 1934; or

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

(c) For purposes of this Rule 204, the terms “disciplinary offense,” “final decision,” and “settlement agreement” have the meanings set forth in CFTC Regulation § 1.63(a).

(d) Prior to nomination to the Board, each individual shall certify he or she is not disqualified pursuant to Rule 204. Upon appointment, each member of the Board shall provide to the Exchange, where applicable, changes in registration information within 30 days and certification of compliance accordingly. In addition, each Participant will certify on at least an annual basis regarding their continued compliance with Rule 204. The Exchange shall verify information supporting Board compliance with eligibility criteria.

(e) In addition, to serve as a Director, an individual must possess the ability to contribute to the effective oversight and management of the Exchange, taking into account the needs of the Exchange and such factors as the individual's experience, perspective, skills and knowledge of the industry in which the Exchange operates. This shall include sufficient expertise, where applicable, in financial services, risk management, and clearing services.

(f) An individual may not serve on any Disciplinary Panel, arbitration panel, or the Appeals Committee during any proceeding affecting or concerning such individual, to be determined in a reasonable manner by the Exchange's Chief Regulatory Officer.

(g) If the Exchange determines that an individual subject to this Rule 204 no longer meets the criteria set forth in Rule 204(b), the Exchange shall inform the CFTC of such determination. The Exchange shall provide to the CFTC, upon request, an individual's certification of compliance with the criteria set forth in Rule 204.

RULE 205. STANDING COMMITTEES

(a) The Board shall have one standing committee, the Regulatory Oversight Committee. The Board may from time to time constitute and appoint such additional standing committees of the Board, as well as such Disciplinary Panels, Hearing Panels, Review Panels and Appeal Panels as it may from time to time deem necessary or advisable. At all times, any executive committee of the Board must consist of at least 35% Public Directors.

(b) Each member of such standing committee must be a Director, one of whom the Board shall designate as the chairperson of each standing committee.

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

(d) Subject to the authority of the Board, each standing committee shall determine the manner and form in which its proceedings shall be conducted. Each standing committee may act only by the decision of an absolute majority in number of the members of such committee, by vote at a meeting or by unanimous written consent without a meeting. Subject to Rule 208, the Board has the power to review, and to approve, modify, suspend or overrule, any and all decisions of any committee of the Exchange and any Officers, subject to Applicable Law.

RULE 206. [RESERVED]

RULE 207. [RESERVED]

RULE 208. REGULATORY OVERSIGHT COMMITTEE

(a) The Regulatory Oversight Committee of the Board shall consist only of Public Directors appointed from time to time by the Board and will initially consist of two Public Directors.

(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 Market Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of Investigations;
 - (B) Reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination and compensation of compliance personnel, including the Chief Regulatory Officer;
 - (C) Supervising the Chief Regulatory 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.
- (iii) Prepare an annual report assessing, for the Board and CFTC, the regulatory program of the DCM. Such report shall: (A) describe the self-regulatory program; (B) set forth the expenses of the regulatory program; (C) describe the staffing and structure of the same; (D) catalogue Investigations and disciplinary actions taken during the year; and (E) review the performance of disciplinary committees and panels.

RULE 209. CHIEF REGULATORY OFFICER

- (a) It shall be the duty of the Chief Regulatory Officer to enforce the Rules with respect to the Exchange.
- (b) The Chief Regulatory Officer shall have available to it, at all times, the resources of the Exchange Compliance Department and such other Exchange resources as may be necessary to conduct Investigations of alleged rule violations and market conditions.
- (c) The Chief Regulatory Officer shall report to, and shall be supervised by, the Regulatory Oversight Committee.
- (d) The Chief Regulatory Officer shall have the authority to inspect the books and records of all Participants in connection with their Trading Privileges, and Sponsored Access Customers in connection with their trading access and the authority to require any such entity to appear before him or her and produce its books and records and answer questions regarding alleged violations of Rules, at the time, place and in the manner it designates. The Chief Regulatory Officer may also delegate such authority to staff of the Exchange Compliance Department.
- (e) The Chief Regulatory Officer shall, in consultation with the Regulatory Oversight Committee resolve any conflict of interest pursuant to Rule 213.

RULE 210. ADDITIONAL BOARD COMMITTEES AND EXCHANGE PANELS

- (a) In addition to the standing committees, subject to the bylaws or 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.
- (b) The Exchange may create panels of the Exchange, for such purposes as may from time to time be necessary or advisable (each, an "Exchange Panel"). Members of each such panel may be Directors, natural persons of a Participant and such other natural persons, in each instance, as may be qualified to serve on such panel.
- (c) Except as otherwise specifically provided in the Rules or the bylaws or operating agreement, the members of any special committee or panel shall be appointed as determined by the Board. Each special committee and panel shall have a chairperson who shall be designated by the Board.

(d) Each additional committee established pursuant to Rule 210(a) or panel established pursuant to Rule 210(b) may supervise, manage or control the affairs of the Exchange to the extent it is duly authorized to do so by the Board.

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

RULE 211. 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 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.

RULE 212. EMERGENCY RULES

(a) During an Emergency, the Exchange may implement temporary emergency procedures and rules ("Emergency Rules") pursuant to Rule 212(b), subject to the applicable provisions of the CEA and CFTC Regulations.

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"), directly or through third party providers of clearing services, 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;
- (ix) impose or modify position limits, price limits, and intraday market restrictions; or
- (x) Any other action as directed by the CFTC.

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 212(e) and (B) the Exchange shall notify and coordinate with any applicable Derivatives Clearing Organization.

(b) 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 Regulatory Officer determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Regulatory Oversight Committee can be reasonably convened, then the Chief Regulatory 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 Regulatory Officer must convene a meeting as soon as practicable. Whenever the Regulatory Oversight

Committee or the Chief Regulatory Officer takes an Emergency Action, a duly authorized representative of the Exchange, where possible, will post an announcement in a Market Notice.

(c) Either the Regulatory Oversight Committee or the Chief Regulatory 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.

(d) 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.

(e) 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 Derivatives Clearing Organization, 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 212. Such documentation will be maintained in accordance with Rule 215.

RULE 213. CONFLICTS OF INTEREST

(a) An Exchange Official, 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 212 (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 an Exchange Official, 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 213(d).

(b) For purposes of Rule 213(a), an Exchange Official, 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 (A) a respondent or potential respondent in such Self-Regulatory Action, or (B) an Affiliate of a respondent or a potential respondent in such Self-Regulatory Action;
- (iii) has any significant, ongoing business relationship with (A) a respondent or potential respondent in such Self-Regulatory Action, or (B) 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 TEX, 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 213(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 213(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 214. MATERIAL, NON-PUBLIC INFORMATION

(a) Terms used in this Rule and not otherwise defined in the Rules of the Exchange shall have the meanings set forth in CFTC Regulations 1.3 and 1.59.

(b) Employees of the Exchange are prohibited from:

(i) trading, directly or indirectly, in any product traded on or cleared by the Exchange;

(ii) trading, directly or indirectly, in any related commodity interest;

(iii) trading, directly or indirectly, in a commodity interest traded on contract markets or Swap Execution Facilities or cleared by Derivatives Clearing Organizations other than the Exchange, if such employee has access to material non-public information concerning such commodity interest; and

(iv) trading, directly or indirectly, in a commodity interest traded on or cleared by a linked exchange, if such employee has access to material non-public information concerning such commodity interest.

(c) Exchange Officials and consultants are prohibited from disclosing to any other Person any material non-public information which such Person obtains as a result of their employment or services at the Exchange, where such Person has or should have a reasonable expectation that the information disclosed may assist another person in trading any commodity interest; provided however, that this paragraph shall not prohibit disclosures made in the course of such Person's duties, or disclosures made to another Self-Regulatory Organization, linked exchange, court of competent jurisdiction or representative of any Government Agency.

(d) The Chief Regulatory Officer (or in the case of the Chief Regulatory Officer the Board) may grant exemptions from the provisions of paragraph (b) of this Rule to employees of the Exchange on a case-by-case basis under circumstances which are not contrary to the purposes of this Rule and CFTC Regulation 1.59. Such circumstances may include, but are not limited to:

(i) participation in pooled investment vehicles where such employee has no direct or indirect control with respect to transactions executed on or behalf of such vehicles;

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

(iii) service by such employee in any other fiduciary capacity, such as an officer of a charitable organization, in which such employee receives no pecuniary benefit from the trading in any product traded on or cleared by the Exchange or any related commodity interest;

(iv) trading, including trading for educational or demonstration purposes, in any product traded on or cleared by the Exchange or any related commodity interest executed on or subject to the Rules of a Swap Execution Facility, a Designated Contract Market or a National Securities Exchange under circumstances in which such employee's access to material non-public information in respect of such financial instruments is sufficiently minimal or attenuated so as to be insignificant; and

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

(e) For the avoidance of doubt, participation by an employee of the Exchange in a retirement plan sponsored by the Exchange shall not be deemed to constitute trading directly or indirectly in any product traded on or cleared by the Exchange or any related commodity interest, notwithstanding such plan's trading of such products or related commodity interests.

(f) Any employee of the Exchange that has received an exemption under this Rule shall:

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

(ii) inform the Chief Regulatory Officer (or in the case of the Chief Regulatory Officer, the Board) within one (1) Business Day of any material change of information that may affect such employee's qualification for such exemption.

RULE 215. 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 Exchange, including all books and records required to be maintained pursuant to Applicable Law.

(b) The Exchange shall retain all such books and records for at least a period of five years, from the date thereof. Electronic records shall be readily accessible for the duration of the five-year period. 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 and provided upon request to the CFTC, the DOJ, or any Government Agency with jurisdiction over the Exchange or its activities.

(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 TEX to a CFTC representative upon the representative's request. In lieu of furnishing a copy, TEX may provide the original book or record for reproduction, which the representative may temporarily remove from TEX'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 TEX. At the request of the CFTC representative, TEX shall issue a receipt upon its return for any copy or original book or record returned by the representative upon its return.

RULE 216. 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 Market Participants 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 current or former Market Participants 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 current or former Market Participants 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 current or former Market Participants or their respective Customers or Clients, if any, to the Commission or other Government Agency, to a Clearing House for clearing 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 217. 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 INDIRECTLY (SUCH AS 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 THE RULES OF THE EXCHANGE IN RELATION TO SUCH TRANSACTIONS TO THE EXTENT APPLICABLE TO SUCH PERSON, INCLUDING, BUT NOT LIMITED TO, RULES REQUIRING COOPERATION AND PARTICIPATION IN INVESTIGATORY AND DISCIPLINARY PROCESSES. ANY FUTURES COMMISSION MERCHANT, INTRODUCING BROKER, ASSOCIATED PERSON, OR FOREIGN PERSON PERFORMING A SIMILAR ROLE, THAT CHARGES A COMMISSION OR FEE IN CONNECTION WITH TRANSACTIONS ON OR SUBJECT TO THE RULES OF THE EXCHANGE ALSO EXPRESSLY CONSENT TO THE EXCHANGE'S JURISDICTION.

RULE 302. PARTICIPANTS

A Person is eligible to be a Participant if such Person:

- (a) agrees to abide by the Rules and Applicable Law;
- (b) maintains good reputation and business integrity;
- (c) be validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade Contracts; 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;
- (d) maintains all applicable registrations required by Applicable Law, including any registration required of an IB or FCM;
- (e) is not subject to a De-registration Basis;
- (f) completes and submits the Participant Documentation;
- (g) 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;
- (h) has or will establish a clearing relationship for itself and/or its Customers/Clients, if applicable, with a Clearing Firm in good standing with the Exchange; and
- (i) satisfies any other criteria that the Exchange may require from a Participant.

RULE 303. AUTHORIZED TRADERS

(a) Authorized Traders: Each Participant may from time to time appoint one or more Authorized Traders. Authorized Traders shall be entitled to exercise Trading Privileges of a Participant subject to the terms and conditions of these Rules. A Participant 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, and promptly notify the relevant Participant in accordance with the procedures for notification established by the Exchange.

(b) Sponsored Access Traders: FCM Clearing Firms that have granted Sponsored Access to a Customer shall be responsible for granting, revoking, or otherwise conditioning access of a Sponsored Access Trader to the Trading Platform. The Exchange assumes no liability if an FCM Clearing Firm fails to manage the access granted to the Trading Platform of its Sponsored Access Customers and Sponsored Access Traders.

(c) Revocation by Participant: Each Participant 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 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: (A) 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 (B) 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.

(d) Responsibility of Participants. Each Participant 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 shall ensure that each of its Authorized Traders is technically proficient in the use of the Platform.

RULE 304. 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. A Participant that is an FCM Clearing Firm may grant trading access to the Exchange using its Trading Privileges ("Sponsored Access") to a Sponsored Access Customer. 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) 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 305. ISV ACCESS

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

RULE 306. SCOPE AND CONTINUATION OF RIGHTS AND PRIVILEGES

(a) A Participant whose Trading Privileges are denied pursuant to Rule 304(b), may appeal such denial in accordance with Rule 207(c). A Participant whose Trading Privileges are revoked, suspended or conditioned pursuant to Rule 304(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, 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, prior to such revocation, termination, suspension or other condition.

RULE 307. 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, which dues, assessments, and fees shall be paid to the Exchange when due. The Exchange shall publish the fees for the Platform on its Web Site. 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.

RULE 308. AUTHORIZED REPRESENTATIVES

- (a) Each Clearing Firm or Participant shall designate at least 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 Clearing Firm or Participant 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 or Participant.
- (c) Each Clearing Firm or Participant 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.
- (d) Each Clearing Firm or Participant shall notify the Exchange prior to or as soon as reasonably possible of any authorization being withdrawn from an Authorized Representative and to notify of the replacement Authorized Representative. .

RULE 309. 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, and Clearing Firms, Participants, Sponsored Access Customers, Authorized Traders, Sponsored Access Traders and other Subject Persons. The Exchange shall retain recordings of conversations made pursuant to this Rule for a period of not less than one year in accordance with CFTC Regulations.

RULE 310. 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 (A) the effective date thereof, and (B) 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 310(b), only the public version of such filing shall be disclosed pursuant to Rule 310(b).

RULE 311. EXCHANGE COMMUNICATIONS

- (a) Each Clearing Firm and Participant 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 Clearing Firm and Participant, 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 Clearing Firm and Participant shall be responsible for conveying such communications to all of its Authorized Users.

(d) Each Clearing Firm and Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from the Exchange to the Clearing Firm, or Participant, or any of its Authorized Users.

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

RULE 312. 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 access to the Platform and will promptly notify the Control Desk that the Participant and their respective Authorized Traders, may no longer access the Platform. Disabling the Participant's access terminates the trading access of its Sponsored Access Customers.

CHAPTER 4
OBLIGATIONS OF EXCHANGE USERS

RULE 401. DUTIES AND RESPONSIBILITIES OF PARTICIPANTS AND AUTHORIZED TRADERS

Each Participant shall, and shall cause each of its Authorized Traders, that directly or indirectly effects a Transaction on the Exchange to:

- (a) use the Platform in a responsible manner and not for any improper purpose;
- (b) use the Platform only to conduct Exchange activity;
- (c) use the Platform only to exercise Trading Privileges in a manner consistent with these Rules;
- (d) comply with all Exchange Rules and act in a manner consistent with each Rule of the Exchange;
- (e) comply with all Clearing House Rules, to the extent applicable to it, and act in a manner consistent with the Clearing House Rules, to the extent applicable;
- (f) comply with all CFTC Regulations and NFA Rules, to the extent applicable to it, and act in a manner consistent with the NFA Rules, to the extent applicable;
- (g) 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;
- (h) 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;
- (i) keep all Firm IDs, User IDs, Admin IDs, account numbers and passwords related to the Platform confidential and secure;
- (j) 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;
- (k) 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; and
- (l) 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. All written and electronic records must be maintained for no less than five years. Records exclusively created and maintained on paper shall be readily accessible for no less than two years, and electronic records shall be readily accessible for the duration of the five years. All such records must be available for inspection by a representative of the Exchange, the CFTC, the DOJ, or by any representative of a prudential regulator as authorized by the CFTC.

RULE 402. REQUIRED DISCLOSURES TO THE EXCHANGE

Each Participant shall (and shall cause its Authorized Users to) notify the Exchange Compliance 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, Sponsored 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) the occurrence of any event giving rise to a statutory disqualification of the Participant as defined under Section 8a(2) of the CEA.

(g) 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 Subject Person, or Person that is the subject of an Investigation by the Exchange, to:

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

(ii) have access to the books and records of the Participant relating to its Transactions in Contracts on the Exchange; and

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

(b) Participants shall provide to authorized Persons and Officers of the Exchange the access required under this Rule upon reasonable notice, provided that the Exchange reserves the right in the event of an Emergency to require that such access be provided immediately and without prior notice.

(c) 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 38.254. The Exchange Compliance 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. MINIMUM FINANCIAL AND RELATED REPORTING REQUIREMENTS

(a) Each FCM Clearing Firm, or Participant or that is registered with the CFTC as an FCM or IB shall:

(i) comply with the provisions of CFTC Regulation 1.17, applicable Clearing House Rules and other Applicable Law, including any rules and regulations a Government Agency or SRO imposes on a Participant or Clearing Firm relating to minimum financial and related reporting and recordkeeping requirements.

(ii) be required to deliver to the Exchange a copy of any notice or written report required to be filed with the CFTC pursuant to CFTC Regulations 1.10 and 1.12 within the time periods prescribed for such filing or delivery in CFTC Regulations 1.10 and 1.12.

(iii) respond timely to any Exchange request for information or records relating to a Transaction by such Participant or any Customer or Authorized User of such Participant; and

(iv) comply with all CFTC Regulations applicable to such Participant.

(b) Any Participant determined by order of the CFTC or any court of competent jurisdiction of an enforcement proceeding by the CFTC or any other Government Agency against the Participant to have violated any provision of the CFTC Regulations, shall be deemed thereby to be in violation of these Rules.

RULE 405. CONFIDENTIALITY OF FINANCIAL AND OTHER INFORMATION

Subject to Rule 214, all information, records, materials and documents provided to the Exchange 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 Exchange Investigation under Chapter 6 of these Rules or as required under Applicable Law.

RULE 406. AUTHORITY TO IMPOSE RESTRICTIONS

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

RULE 407. TREATMENT OF CUSTOMER FUNDS AND SECURITIES

Each FCM Clearing Firm and Participant that is registered with the CFTC as an FCM shall comply with the provisions of CFTC Regulations, applicable Clearing House Rules 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 through 1.32. The Exchange shall conduct surveillance of its Members' compliance with this Rule, including through its membership and participation in the Joint Audit Committee. Any violation of the aforementioned CFTC Regulations, Clearing House Rules or other Applicable Law by Participant or Clearing Firm 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 Clearing House, where appropriate), without limitation, procedures relating to Transactions in Contracts and trading on the Platform, including procedures relating to:

- (i) determination of Daily and Final Settlement Prices of Contracts;
- (ii) dissemination of bids and offers on, and Transactions in, Contracts;
- (iii) recordation, and accounting for, Contracts and Exchange activity;
- (iv) market surveillance and regulation of matters affecting Contracts and the Exchange activity;
- (v) determination of limits on the number and/or size of Orders that may be submitted by a Participant through the Exchange Trading Platform;
- (vi) determination of limits on the number of Contracts that may be held by a Customer/Client or Participant;
- (vii) determination of maximum daily price fluctuations for any Contract and provide for any related restriction or suspension of trading in the Contract; and,
- (viii) the suspension or expulsion of a Participant, or the imposition of trading restrictions on a Participant, including a Participant with open positions in Contracts which are required to be liquidated or transferred.

(b) The Exchange may, in its discretion and at any time, amend any procedures adopted pursuant to Rule 502(a), and will publish such amendments in a notice to Participants by means determined appropriate by the Exchange.

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. The Exchange may vary its Trading Hours among different Contracts. 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 310 for any modification to or establishment of Business Days, Trading Hours or holidays.

RULE 504. RULE VIOLATIONS

It shall be a violation for a Person to violate any Rule or any agreement made with the Exchange, or to engage in fraud, dishonorable or dishonest conduct, or in conduct which is inconsistent with just and equitable principles of trade.

RULE 505. 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 or the Clearing House.

RULE 506. FICTITIOUS, WASH, AND NON-COMPETITIVE TRANSACTIONS PROHIBITED

No Person shall engage in fictitious transactions, wash transaction or non-competitive transactions, or execute any Order with knowledge of its nature as a fictitious transaction, wash, or non-competitive transaction, except in the case of non-competitive transactions permitted by the Rules.

RULE 507. MARKET DISRUPTION/DISRUPTIVE TRADING PRACTICES PROHIBITED

(a) 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 during the closing period 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.

(b) No Person shall engage in any 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.

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

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. For purposes of this Rule 508 "attempt to manipulate" and "manipulation" shall be defined and understood by reference to interpretive guidance issued by CFTC staff, and administrative and enforcement proceedings commenced by the CFTC.

RULE 509. PROHIBITION OF MISSTATEMENTS

No Person shall intentionally or recklessly 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. ACTS DETRIMENTAL TO WELFARE OF EXCHANGE PROHIBITED

No Market Participant shall engage in any act that is detrimental to the welfare of the Exchange.

RULE 511. ADHERENCE TO LAW

No Market Participant shall engage in conduct in violation of Applicable Law, including the CEA and the CFTC Regulations. Without limitation of the foregoing, all Participants that are FCMs or FCM Clearing Firms shall comply with (A) capital requirements under CFTC Regulations and applicable Clearing House Rules, as in effect from time to time, and (B) Applicable Laws regarding the treatment of Customer funds and Customer Orders

RULE 512. SUPERVISION

A Participant shall establish, maintain and administer reasonable supervisory procedures to monitor the compliance of its Authorized Users, partners, directors, officers, agents, contractors, representatives and employees with these Rules and Applicable Law and such Participant may be held accountable for the actions of such Authorized Users, partners, directors, officers, agents, contractors, representatives and employees in connection with Transactions in Contracts on the Exchange.

RULE 513. MISUSE OF THE PLATFORM

(a) It shall be a violation of these Rules to willfully permit unauthorized use of the Platform, to assist any Person in obtaining any unauthorized access to the Platform, to trade on the Platform without an agreement conforming in substance to the requirements of these rules and a clearing account with a Clearing Firm, 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.

(b) All Participants permissioned to connect to the Platform must be guaranteed by a Clearing Firm that assumes financial responsibility for all activity through the connection. Transactions may, in accordance with these Rules, the Clearing House Rules, and the operational procedures prescribed by the Exchange or the Clearing House, be given up to or transferred to Clearing Firms other than the Clearing Firm that has initially cleared the Trade by virtue of the guarantee in favor of the Participant that executed the Trade. Pending any such "give-up" or transfer, the Clearing Firm that issued the guarantee in favor of the Participant executing the Transaction and that initially cleared the Transaction pursuant to that guarantee, shall be financially responsible for the Transaction.

(c) Clearing Firms shall assist the Exchange in any Investigation into potential violations of the Exchange Rules or the CEA which occur through or with respect to a Platform connection guaranteed by the Clearing Firm. Such assistance must be timely and may include, but not be limited to, requiring any Participant or Customer to cooperate with any Investigation by the Exchange. Upon request by the Exchange, Clearing Firms shall suspend or terminate a Participant's or Customer's access to the Trading Platform if the Exchange determines that the actions of the Participant or Customer threaten the integrity or liquidity of any Contract or violate any Exchange Rule or the CEA or if the Participant or Customer fails to cooperate in an Investigation.

(d) If a Clearing Firm has actual or constructive notice of a violation of Exchange Rules in connection with the use of the Trading Platform by a Participant or Customer and the Clearing Firm fails to terminate the connection, the Clearing Firm may be found to have committed an act detrimental to the Exchange.

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 Compliance 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, notional amount, tenor, rate/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 unable to resolve pursuant to Rule 541. 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. If the Customer elects not to retain all or a portion of the executed Transaction, the Participant may transfer the position resulting from the Transaction to a firm error account pursuant to Rule 804. A Participant must document in writing the circumstances surrounding the nature of the error and promptly provide such documentation to the Exchange Compliance 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. MARKET MAKER PROGRAM

The Exchange may from time to time establish programs that provide Participants and Sponsored Access Customers with financial incentives for meeting trading volume, liquidity or other thresholds, as may be established by the Exchange ("Market Maker"). All Participants and Sponsored Access Customers who meet the criteria, established by the Exchange from time to time, to be a Market Maker are eligible to participate.

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 is executable on the Platform, unless such Customer provides such person with written consent to delay such Order.

RULE 518. HANDLING OF CUSTOMER ORDERS

(a) General Prohibition: Except as otherwise permitted under the Rules or Applicable Law, no person in possession of a Customer Order shall knowingly take, directly or indirectly, the opposite side of such Order on the order book of 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.

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

A person may knowingly execute an Order of its Customer 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 Platform, provided, that (A) such person has entered the relevant Order of the Customer into the order book of the Platform promptly upon receipt of the Order by such person, and (B) no fewer than 5 seconds has passed since entry of such Order in the order book of the Platform before such person enters the relevant off-setting Order into the order book of the Platform.

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) Platform. No Person shall enter through the order book of the Platform into a pre-arranged transaction prohibited under the Rules or knowingly assume on its own behalf or on behalf of a Customer account the opposite side of its own Order or its Customer's Order (a "Cross Trade"), except (A) in the case of transactions effected pursuant to Rule 542, (B) where the Person is entering into both sides of a Customer Order on a non-discretionary basis, or (C) the Person (X) has obtained prior written blanket or transaction specific consent in respect of the relevant Customer(s); and Person (Y) waits for a reasonable period of time, which shall be a minimum of five (5) seconds, after the initial Order is submitted to the order book of the Platform before submitting the opposite side Order to the order book of the Platform.

(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. WASH SALES PROHIBITED

No Person shall place or accept buy and sell Orders in the same product and Expiry, where such 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, or to effect a money-pass between them 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 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 Clearing Firm that will clear any resultant Transaction;

(B) its type, price or yield, quantity, product, maturity or expiration month or date, 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:

(A) 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), or retain electronic communication received from the Customer regarding said Order that includes the relevant information required pursuant to Rule 522(a)(i),

(B) enter such Order into the Platform when such Order becomes executable and

(C) 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 Compliance 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 Customer that is also a Participant, such Participant may notify such Customer in writing that it is the Customer's obligation to maintain the Electronic Audit Trail with respect to such Customer's Orders. If such Customer consents, the Participant's obligations to maintain an Electronic Audit Trail with respect to such may be satisfied by such Customer, provided, however, that such Participant will remain liable in case such 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 Sponsored 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 Person can rely on electronic order routing or order execution systems of the Exchange to record the audit trail information from the point it enters the Platform in accordance with Commission requirements. The Exchange shall maintain all information on behalf of such Person any information entered into the Platform and shall provide such information to such Person upon request in a timeframe sufficient for the Person to meet their regulatory requirements. All market participants must maintain any aspect of the audit trail that occurs outside of the Platform.

(d) Customer Type Indicator ("CTI") Codes. Each Clearing Firm 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 Firm or Member;

(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; and

(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

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 as provided in Rule 539(b). Any such modification or cancellation requires that a modification order or cancellation order 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.

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) and 524(c).

(b) The foregoing restriction shall not apply to Block Trades or other types of pre-arranged trades expressly allowed by the Exchange.

(c) Pre-arranged Trades and Pre-Execution Communications: A Person may engage in pre-execution communications or arrange the purchase or sale of a Contract, subject to the following conditions:

(i) Parties may engage in pre-execution communications with regard to Transactions executed or to be executed on the Exchange Trading Platform where one party (the first party)

wishes to be assured that a contra party (the second party) will take the opposite side of the first party's Order subject to the restrictions below.

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

(iii) Parties to pre-execution communications shall not:

(A) disclose to a nonparty the details of such communications; or

(B) enter an Order to take advantage of the information conveyed during such communications except in accordance with this Rule.

(C) the first party's Order must be entered into the Exchange Trading Platform first and the second party's Order may not be entered into the Exchange Trading Platform until a period of five (5) seconds has elapsed from the time of entry of the first Order.

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 an 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 Compliance Department upon request.

RULE 526. DISCRETIONARY TRADES

No Participant shall submit a discretionary order to the Platform for any account of another Person, without the prior written consent of such other Person to the exercise of such discretion, (which may take the form of a written agreement between such Participant and such Person conferring on such Participant by power of attorney or otherwise the right to control trading in Contracts in a Trading Account beneficially owned by such Person). Provided, however, that the restrictions set forth in this subparagraph shall not apply to a discretionary order for: (A) an account of that Person's spouse, parent, parent of a spouse, brother, sister, child, or spouse of a child; or (B) a Proprietary Account of the Participant.

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. AVERAGE PRICE SYSTEM

(a) Application of Average Prices: A proprietary average price system ("APS") developed by a Participant allows a Participant to confirm to Customers an average price when multiple execution prices are received on an Order or series of Orders for the same Contract. An Order or series of Orders executed for the same instrument during the same trading day at more than one price may be averaged pursuant to APS only if each Order is for the same account or group of accounts and for the same instrument, or for the same instrument, maturity, put/call and strike price for Options.

(b) Requirements for APS Trades:

(i) The Customer must have requested average price reporting;

(ii) Each individual trade must be submitted to the Exchange and cleared by the Clearing House at the executed price;

(iii) A Participant must compute and confirm the weighted mathematical average price, as set forth in Section (c);

(iv) A Participant must possess the records to support the calculations and allocations to Customer Accounts and must maintain these records pursuant to CFTC regulations; and

(v) A Participant must ensure that its proprietary trades are not averaged with Customer APS trades.

(c) Computation of Average Price. Upon receipt of an execution or match at multiple prices for an APS Order, the weighted mathematical average must be computed by:

(i) multiplying the number of instruments purchased or sold at each execution price by that price;

(ii) adding the results together; and

(iii) dividing by the total number of instruments.

An average price for a series of Orders will be computed based on the average prices of each Order in that series. The actual average price or the average price rounded to the next price increment may be confirmed to Customers. If a Participant confirms the rounded average price, the Participant must round the average price up to the next price increment for a buy Order or down to the next price increment for a sell Order. The residual created by the rounding process must be paid to the Customer. APS may produce prices that do not conform to whole cent increments. In such cases, any amounts less than one cent may be retained by the Participant.

(d) Disclosure. Each Participant that confirms an average price to a Customer must indicate on the confirmation and monthly statement that the price represents an average price.

RULE 529. POSITION LIMITS AND EXEMPTIONS

(a) The Exchange shall designate for each Contract applicable position limits and/or accountability levels. Such position limits or accountability levels may be specific to a particular Contract or Contract Expiry. Position limits and position accountability levels will be closely monitored by the Exchange Compliance Department. The Exchange will publish position limits and position accountability can be found in Rule 532 and in the Contract Specifications. For any Contract that is subject to a position limit established by the CFTC, the Exchange shall set a position limit at a level not less than the position limit established by the CFTC.

(b) A Person seeking an exemption from position limits must apply to the Exchange Compliance Department in a manner prescribed by the Exchange. In order to obtain an exemption from position limits, a Person must:

(i) provide a description of the exemption sought, including whether the exemption is for bona fide hedging positions as defined in CFTC Regulation 150.1 or any other applicable CFTC Regulation, risk management positions or arbitrage/spread positions;

- (ii) provide a complete and accurate explanation of the underlying exposure related to the exemption request;
- (iii) agree to promptly provide, upon request by the Exchange Compliance Department, information or documentation regarding the Person's financial condition;
- (iv) agree to comply with all terms, conditions or limitations imposed by the Exchange Compliance Department with respect to the exemption;
- (v) agree that the Exchange Compliance Department may modify or revoke the exemption at any time;
- (vi) agree to initiate and liquidate positions in an orderly manner; and
- (vii) agree to promptly submit a supplemental statement to the Exchange Compliance Department whenever there is a material change to the information provided in the most recent application.

(c) A Person intending to exceed position limits, including limits established pursuant to a previously approved exemption, must file the required application and receive approval from the Exchange Compliance Department prior to exceeding such limits. Notwithstanding the foregoing, a Person who establishes an exemption-eligible position in excess of position limits and files the required application with the Exchange Compliance Department shall not be in violation of this Rule provided the filing occurs within one (1) Business Day after assuming the position.

(d) In the event the positions in excess of the limits are not deemed to be exemption-eligible, the applicant and Clearing Firm will be in violation of speculative limits for the period of time in which the excess positions remained open.

(e) The Exchange Compliance Department shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Exchange Compliance Department may approve, deny, condition or limit any exemption request based on factors deemed by the Exchange Compliance Department to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner.

(f) Nothing in this Rule shall in any way limit:

- (i) the authority of the Exchange to take Emergency Action; or
- (ii) the authority of the Exchange Compliance Department to review at any time the positions owned or controlled by any Person and to direct that such position be reduced to the accountability or position limit in force from time to time.

(g) A Person who has received written authorization from the Exchange Compliance Department for an exemption from position limits must annually file an updated application on the date which is one year following the approval date of the most recent application. Failure to file an updated application will result in expiration of the exemption.

(h) Eligible Exemptions:

(i) **Bona Fide Hedging Positions:** The Exchange Compliance Department may grant exemptions from position limits for bona fide hedge positions as defined by CFTC Regulation 150.1 or any other applicable CFTC Regulation. Approved bona fide hedgers may be exempted from Emergency Rules that reduce position limits or restrict trading.

(ii) **Risk Management Positions:** The Exchange Compliance Department may grant exemptions from the position limits for risk management positions. For the purposes of this Rule, risk management positions are defined as Contracts which are held by or on behalf of a Person or its Affiliate which typically buys, sells or holds positions in the underlying cash market, a related cash market, or a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities for arbitrage which provide a close linkage between Exchange market in Contracts and the underlying cash market in question. Exemptions related to indexed positions in the over-

the-counter market may include corresponding commodity index-based Contracts used as components in replicating an index.

(iii) Arbitrage and Spread Positions: The Exchange Compliance Department may grant exemptions from the position limits for arbitrage, intra-commodity spread, inter-commodity spread, and eligible spread positions.

(i) Aggregation of Positions:

(i) Positions to be Aggregated: The position limits in Rule 535 shall apply to all positions in Trading Accounts for which a Person by power of attorney or otherwise directly or indirectly owns the positions or controls the trading of the positions. The position limits in Rule 535 shall also apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading of the positions was done by, a single Person.

(ii) Ownership of Trading Accounts: Except as set forth below, any Person holding positions in more than one Trading Account, or holding Trading Accounts or positions in which the Person by power of attorney or otherwise directly or indirectly has a 10% or greater ownership or equity interest, must aggregate all such Trading Accounts or positions, unless such Person is a pool participant in a commodity pool. The foregoing exception for pool participants shall not apply if the Person is a commodity pool operator, controls the commodity pool's trading decisions, or has an ownership or equity interest of 25% or more in a commodity pool whose operator is exempt from registration with the CFTC.

(j) Limited Exceptions to Aggregation for Independently Controlled Positions: Exemptions from aggregation in all Contracts subject to Exchange position limits must comply with the provisions of CFTC Regulation 150.4(b). Any person claiming an exemption from Exchange position limits under the provisions of CFTC Regulation 150.4(b)(1)(ii), (b)(2), (b)(3), (b)(4), or (b)(7) must provide a notice to the Exchange Compliance Department which sets forth (A) a description of the relevant circumstances that warrant disaggregation and (B) a statement by a senior officer or executive of the entity certifying that the conditions set forth in the applicable CFTC aggregation exemption provision have been met. Upon request by the Exchange Compliance Department, any Person claiming an exemption from aggregation under this Rule must provide any requested information that demonstrates the person meets the applicable requirements for the exemption. The Exchange Compliance Department, in its sole discretion, may amend, suspend, terminate, or otherwise modify a person's exemption from aggregation for failure to comply with the provisions of this Rule.

In the event of a material change to the information provided in any notice filed under this Rule, an updated or amended notice must be promptly filed with the Exchange Compliance Department detailing the material change.

(k) Violations

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

(ii) The Exchange Compliance Department shall have the authority to enforce the Exchange Rules regarding position limits.

(iii) Any Person making a bid or offer that would, if accepted, cause such Person to exceed the applicable position limits shall be in violation of this Rule.

(iv) A Clearing Firm shall not be in violation of this Rule if it carries positions for a Customer in excess of the applicable position limits for such reasonable period of time, not to exceed one Business Day, as the Clearing Firm may require to investigate and liquidate, or cause such Customer to liquidate, the excess Customer positions.

(v) A Customer who exceeds the position limits as a result of maintaining positions at more than one Clearing Firm shall be deemed to have waived confidentiality regarding his positions and the identity of the Clearing Firms at which they are maintained. A Clearing Firm carrying such positions shall not be in violation of this Rule if, upon notification by the Exchange Compliance Department, it liquidates, or causes Customer to liquidate, its pro-rata share of the positions in

excess of the limits or otherwise ensures that the Customer is in compliance with the limits within a reasonable period of time, generally not exceed one Business Day.

(vi) Violations: Position limit violations by a Participant (and by Clearing Firms clearing positions in violation of this Rule) shall be subject to Disciplinary Proceedings and sanctions under these Rules and under Applicable Law.

RULE 530. POSITION ACCOUNTABILITY

(a) To reduce the potential threat of market manipulation or congestion, the Exchange may, in lieu of position limits described in Rule 529, adopt for each of the Contracts of the Exchange, 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. REPORTS OF LARGE POSITIONS

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

(b) Each Clearing Firm shall submit to the Exchange:

(i) a daily report of all positions that exceed the reportable position levels set forth in the product Rules; and

(ii) a copy of the CFTC Form 102 filed by the Participant or Clearing Firm with the CFTC for such Participant's or Clearing Firm's Customers' reportable accounts. The Form 102 shall be submitted to the Exchange no later than the Business Day following the date on which the account becomes reportable, in accordance with such procedures as the Exchange may from time to time prescribe.

(c) Positions in Exchange products at or above the reportable level set forth in Rule 532 trigger reportable status. For a Participant in reportable status, all positions, regardless of size, in relevant Exchange products must be reported to the Exchange, in addition to any regulatory obligations a Participant may have separate and apart from these Rules.

RULE 532. POSITION LIMITS AND REPORTABLE LEVELS

Position limits are outlined in each product specification which is posted to the Exchange Web Site.

RULE 533. MARGIN REQUIREMENTS

A Market Participant must comply with all margin requirements established by each relevant Clearing House and by each relevant Clearing Firm, if applicable.

RULE 534. PLATFORM ACCESS RESTRICTIONS

(a) All Participants permitted to connect to the Platform, must be a member of the Clearing House and be eligible to clear at such Clearing House the Contract(s) that such Person will execute on the Exchange, or have clearing arrangements in place with a Clearing Firm pursuant to which Clearing Firm agrees to clear Transactions for such Participant (and its Customers and Clients, if applicable), pursuant to Rule 806.

(b) All Persons entering Customer or Client Orders must have appropriate industry registration. Customer and Client 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

(a) 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.

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

(i) 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;

(ii) 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;

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

(iv) 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 Sponsored 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 TEX 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 AN TEX PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT (IN WHICH CASE THE EXCHANGE OR TEX PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 537(a)), NEITHER THE EXCHANGE (INCLUDING ITS SUBSIDIARIES AND AFFILIATES, NOR ANY TECHNOLOGY SERVICES PROVIDER AND CONTRACTORS 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, AN "TEX PARTY") SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES, INCLUDING TRADING LOSSES, ARISING FROM OR IN CONNECTION WITH, IN EACH CASE:

(i) 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 TEX 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;

(ii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE EXCHANGE, AN TEX 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, AN TEX PARTY OR AN INDEPENDENT THIRD PARTY;

(iii) THE CREDITWORTHINESS OF ANY PARTICIPANT, CUSTOMER OR CLIENT;

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

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

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, INCLUDING TRADING LOSSES, DAMAGES, COSTS OR EXPENSES.

(b) UNLESS THE EXCHANGE OR AN TEX 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 TEX PARTY'S TOTAL COMBINED AGGREGATE LIABILITIES SHALL NOT EXCEED \$25,000 FOR ALL LOSSES, INCLUDING TRADING LOSSES, FROM ALL CAUSES SUFFERED BY ALL PERSONS ON A SINGLE DAY; \$50,000 FOR ALL LOSSES, INCLUDING TRADING LOSSES, SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$100,000 FOR ALL LOSSES, INCLUDING TRADING 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 TEX 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 TEX PARTY, EXCEED \$100,000 IN ANY GIVEN CALENDAR YEAR.

(c) NEITHER THE EXCHANGE NOR ANY TEX PARTY SHALL BE LIABLE TO ANY PERSON FOR ANY DAMAGES, COSTS, LOSSES, INCLUDING TRADING LOSSES, OR EXPENSES AND THE SUBJECT PERSON, CUSTOMER, OR CLIENT (AS THE CASE MAY BE) SHALL INDEMNIFY, PROTECT AND HOLD THE EXCHANGE AND ANY TEX PARTY HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, INCLUDING TRADING 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 TEX 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 TEX PARTY GUARANTEES OR MAKES ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE VALIDITY, SEQUENCE, TIMELINESS, COMPLETENESS, ACCURACY OR CONTINUED AVAILABILITY OF ANY INFORMATION OR DATA MADE AVAILABLE ON OR THROUGH THE EXCHANGE. NEITHER THE EXCHANGE NOR ANY TEX 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 TEX 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 TEX PARTY BE DEEMED TO ACT AS AN ADVISOR OR FIDUCIARY OF ANY SUBJECT PERSON, CUSTOMER, OR CLIENT, AS THE CASE MAY BE.

(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 TEX PARTY IS A PARTY SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICT OF LAW PRINCIPLES. ANY ACTIONS, ARBITRATIONS, SUITS OR PROCEEDINGS SHALL BE BROUGHT WITHIN TWO YEARS 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 COUNTY OF COOK, IN THE STATE OF ILLINOIS. 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.

(f) UNDER NO CIRCUMSTANCES WILL THE EXCHANGE OR ANY TEX 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 Clearing Firms, Participants, 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 Clearing Firm 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 a Clearing Firm'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, a terminal of its Clearing Firm 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 Clearing Firm's 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. EXECUTION OF ORDERS BY THE PLATFORM

(a) Matching Algorithm: The Central Limit Order Book of the Platform employs a matching 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 (Price/Time on a first in, first out basis "FIFO"). If there are multiple bids and offers that have the same price, the earliest entered into the Platform will be the bid or offer to which the Order is matched, subject to any self-match prevention. A decrease in the size of resting Order will not affect the priority of such Order. All activity that takes place on the CLOB is anonymous.

(b) Order Types

(i) Limit Order: Limit Orders are Orders to buy or sell a stated quantity at a specified price or at a better price if obtainable.

(ii) Market to Limit Order: Market to Limit Orders will match with the first available contra order (effectively a market order.)

(iii) Stop Order: A Stop Order becomes a Market-to-limit Order once it has been triggered.

(iv) Stop Limit Order: A Stop Limit Order when triggered becomes a Limit Order.

(v) Time in Force Orders, including:

(A) Day Order: An Order that expires automatically if unfilled at the end of each day's Trading Hours;

(B) Good Until Canceled Order (GTC): An Order which is valid and remains in force until canceled. It is not automatically canceled at the end of the Trading Hours. The Order continues to work until it is filled or cancelled by the Market Participant;

(C) Immediate or Cancel (IOC): An Order to bid or offer that must be immediately filled and any unfilled portion of the Order is canceled; and

(D) Fill-or-Kill Order (FOK): An Order that demands immediate execution of the entire quantity or cancellation. Typically involving a designation, added to an Order, instructing the broker to offer or bid (as the case may be) one time only; if the Order is not filled immediately, it is then automatically canceled.

RULE 540. MARKET OPEN

Orders may not be submitted outside of Trading Hours. After market open, each Contract will be traded on a continuous basis until a time designated by the Exchange for the close of daily trading for such Contract. The trading hours and holidays of the Exchange will be published on the Web Site.

RULE 541. TRADE CANCELLATION AND ADJUSTMENTS

(a) Authority Over Trade Cancellations and Price Adjustments

(i) The CRO, Head of Market Operations or their designee has authority to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Trading Platform or by system defects.

(ii) Notwithstanding any other provisions of this Rule, The CRO, Head of Market Operations or their designee may adjust trade prices or bust any trade, including Block Trades, if it determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market.

(iii) All decisions of the CRO, Head of Market Operations or their designee under this Rule shall be final.

(b) Review of Trades

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

(ii) The Exchange shall determine whether a trade will be subject to review. The Exchange may determine, in its sole discretion, that a trade shall not be subject to review.

(iii) Upon deciding to review a trade, the Exchange will promptly notify Participants indicating that a trade is under review.

(c) Price Adjustments and Cancellations

(i) In reviewing a trade, the Exchange will first determine whether the trade price is within the No Cancellation Range for the Contract.

(ii) In applying the No Cancellation Range, the Exchange shall determine the fair value market price for the relevant Contract at the time the trade under review was executed (the "Market Price"). The Exchange may consider any relevant information, including the last trade price in the Contract, a better bid or offer price on the Platform, a more recent price for a different contract expiration and the market conditions at the time of the trade.

(iii) Trade Price Inside the No Cancellation Range: If the Exchange determines that the price of the trade is inside the No Cancellation Range, then it will issue advise the parties that the trade shall stand.

(iv) Trade Price Outside the No Cancellation Range

(A) If the Exchange determines that a trade price is outside the No Cancellation Range for a Contract, the trade price shall be adjusted to a price that equals

the fair value market price for that contract at the time the trade under review occurred, plus or minus the No Cancellation Range. In the event there are multiple parties, prices or contracts involved in the transactions at issue, the Exchange has the authority, but not the obligation, to bust rather than price adjust such transactions. The Exchange will issue a notice regarding its decision.

(B) Busted trade prices and any prices that have been adjusted shall be cancelled in the Exchange's official record of time and sales. Trades that are price adjusted shall be inserted in the time and sales record at the adjusted trade price.

(v) The Exchange shall communicate all Price Adjustments and Cancellations to the Clearing House.

(d) Alternative Resolution by Agreement of Parties

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

(ii) With the approval of the Exchange, parties to a trade that is busted may instead mutually agree to price adjust the trade to a price consistent with the adjustment provisions of this Rule.

(iii) Subject to Rule 541(d)(1) and Rule 541(d)(2) above, parties to a trade that is cancelled or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the Exchange and the parties maintain a record of the adjustment.

(iv) An executed trade may not be reversed via transfer except where such trade is determined by the Exchange to be outside of the No Cancellation Range but not reported timely, subject to agreement of the parties and approval of Exchange. Any such transfer must occur at the original trade price and quantity; however, the parties may mutually agree to a cash adjustment.

(e) Liability for Losses Resulting from Price Adjustments or Cancellations.

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

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

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

(iv) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to 0 of the Rules. Such claims must be submitted to the Board or a designee of the Board within ten business days of the date the party was issued notification that liability was denied.

(f) Schedule of Administrative Fees. When the CRO or COO busts a trade or allows a price adjustment, the party responsible for entering the order into the Platform that gave rise to the trade bust or price adjustment shall pay an administrative fee to the Exchange in the amount of \$500 for each such occurrence.

(g) Exchange No Cancellation Ranges

Contract	No Cancellation Range
	The execution price must be > +/- [TBD]% from the determination of fair market value by the Exchange in order for trade cancellation or price adjustment to occur.

RULE 542. BLOCK TRADES

(a) The Exchange shall designate the Contracts in which Block Trades shall be permitted and determine the minimum quantity thresholds for each Contract.

(b) The following shall govern Block Trades:

(i) A Block Trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders may not be aggregated in order to achieve the minimum transaction size; except by those entities described in sections (ix) and (x) below.

(ii) Each Person that is party to a Block Trade must be an Eligible Contract Participant.

(iii) An Authorized Broker for a Person shall not execute any order by means of a Block Trade unless such Person has specified that the order be executed as a Block Trade.

(iv) The price at which a Block Trade is executed must be fair and reasonable in light of (i) the size of the Block Trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the Block Trade, subject to requirements of Rule 541.

(v) Block Trades shall not set off conditional orders (e.g., Limit Orders) or otherwise affect orders in the regular market.

(vi) Block Trades must be reported to the Exchange by the parties to the trade or an Authorized Broker, using an approved reporting method, no later than [15] minutes after the time the trade was executed away from the Exchange. The trade details reported to the Exchange must include the actual time of execution (the time at which the parties agreed to the terms of the Block Trade).

(vii) Block Trades will be transmitted to the Clearing House by the Exchange.

(viii) Clearing Firms, Authorized Brokers, and parties involved in the execution of Block Trades must maintain a record of the transaction in accordance with Rule 544.

(ix) A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Rule 542(b)(i), (ii), (iii) and (iv), provided such advisors have total assets under management exceeding \$25 million and the Block Trade is suitable for the customers of such advisors.

(x) A foreign Person performing a similar role or function to a CTA or investment advisor as described in Rule 542(b)(ix), and subject as such to foreign regulation, shall be the applicable entity for purposes of Rule 542(b) (i), (ii), (iii) and (iv), provided such Persons have total assets under management exceeding \$25 million and the Block Trade is suitable for the customers of such Persons.

RULE 543. [RESERVED]

RULE 544. RECORDKEEPING REQUIREMENTS FOR PRIVATELY NEGOTIATED TRADES

(a) All transactions executed pursuant to Rule 542 and 543, 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):

(i) 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.

(ii) Such record shall also include an electronic timestamp reflecting the date and time such Order was executed or cancelled.

RULE 545. 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 § 5 or Part 38 of the 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 Compliance 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, 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 Compliance Department (and any counsel or other representative of the Exchange Compliance 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 Compliance Department (and any counsel or representative of the Exchange Compliance Department).

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

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

RULE 602. INQUIRIES AND INVESTIGATION

(a) The Exchange Compliance Department will investigate any matter within the Exchange's jurisdiction of which it becomes aware. Pursuant to this Chapter 6, the Exchange Compliance 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 Compliance Department indicates a possible basis for finding that a violation may have occurred or will occur. The Exchange Compliance 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 Compliance Department has the authority to:

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

(c) Each Person:

- (i) is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Exchange Compliance 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 Compliance 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 Compliance Department will maintain a log of each Investigation and its disposition. The Exchange Compliance 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 Compliance Department staff's analysis and conclusions and the recommendation of the Exchange Compliance 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 Compliance 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, 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 Regulatory Officer for a determination as to whether the Investigative Report is complete. The Chief Regulatory Officer will then provide the completed Investigative Report to the Review Panel of the Disciplinary Panel.

RULE 604. OPPORTUNITY TO RESPOND

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

(b) The Exchange Compliance 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 Compliance Department.

RULE 605. REVIEW OF INVESTIGATIVE REPORTS

(a) Review of Investigative Reports by the Chief Regulatory Officer

(i) The Chief Regulatory 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 Regulatory 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 Regulatory Officer will direct the Exchange Compliance 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 Regulatory 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, in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Services Provider;

(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, in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Services Provider; 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 Compliance 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 and the Chief Regulatory Officer shall provide the written statement to the Regulatory Services Provider.

(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 Regulatory Officer from acting pursuant to Rule 605(a). The Chief Regulatory 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 Regulatory 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 Regulatory Officer or Review Panel authorizes disciplinary proceedings pursuant to Rule 605(a)(iii)(C) or Rule 603(b)(iv), the Exchange Compliance 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 Regulatory 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 Regulatory 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 Compliance Department. The Exchange Compliance Department shall provide a copy of any offer of settlement and its recommendation on whether to accept or reject such offer to 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 Regulatory Officer to accept the offer shall be submitted for review by the relevant Disciplinary Panel. If the relevant Disciplinary Panel agrees, then the Chief Regulatory 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 Compliance Department, the Chief Regulatory 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 Regulatory 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 Compliance 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 Regulatory 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 Regulatory 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 Individual.

(e) **Disciplinary Panel Selection:** The Chief Regulatory 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 Individual 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 Regulatory 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 Regulatory 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 Compliance 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) In the case in which the subject action occurs with respect to activity on the Platform, that more than 50% of each Disciplinary Panel include persons representing membership interests other than that of the subject of the disciplinary proceeding.

(k) 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.

(l) 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 Compliance 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 Compliance 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 Compliance Department, the Exchange Compliance Department may redact, edit or code such information before furnishing it to the respondent.

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

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

(ii) will provide the respondent with access to the information and portions of the documents that the Exchange Compliance 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 Compliance 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 Compliance 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 Compliance 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 Compliance 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 Compliance 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 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 Regulatory 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 Regulatory 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 Regulatory Officer will forward copies of any notice of appeal received by it to all parties to the disciplinary proceeding or summary action, as the case may be, except the appellant. On or before the 20th day after filing a notice of appeal, the appellant must file with the Chief Regulatory Officer and serve on the Exchange Compliance 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 Compliance 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 Compliance Department.

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

(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 Regulatory 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 Regulatory Officer's recommendation shall include Public Individuals. 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 Compliance 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 Individual.

(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 Regulatory Officer. By not timely filing a request for disqualification, the appellant will be deemed to have waived any objection to the composition of an Appeal Panel. The 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 Regulatory 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 Regulatory Officer may summarily impose a fine against a Market Participant on account of conduct by such Market Participant, any Person, Customer or Client of such Market Participant, or any Person using any Firm ID, User ID or Admin ID assigned to a Subject Person, for failing:

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

(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 Compliance Department, acting on behalf of the Chief Regulatory 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 Regulatory 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 Market Participant 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, Sponsored Access Customer, or Clearing Firm, 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, 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 Market Participant's status as a Subject Person or any Authorized 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 User have been terminated, (i) all of such Subject Person's or its Authorized User's related rights will terminate, except for the right of such Subject Person or Authorized 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 Market Participant or any Authorized User may only be reinstated by such Market Participant 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 Market Participant under the Rules.

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

(d) A suspended or terminated Participant or Authorized User remains subject to the Rules and the jurisdiction of the Exchange for acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, Investigation, Disciplinary Proceeding, Appeal of Disciplinary Proceedings, summary suspension or other Summary Action as if the suspended or terminated Participant or Authorized User still had Trading Privileges or the ability to otherwise access the Trading Platform.

(e) In the event of the suspension or revocation of a Market Participant'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 Market Participant.

RULE 620. NOTICE TO THE RESPONDENT, THE REGULATORY SERVICES PROVIDER, 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

RULE 701. DISPUTES SUBJECT TO ARBITRATION

(a) Mandatory Arbitration of Disputes Among Participants

(i) It is contrary to the objectives and policy of the Exchange for Participants to litigate Exchange-related disputes. By accessing the Exchange for the purpose of entering into Transactions in Contracts on the Exchange each Participant agrees that it shall arbitrate all disputes that relate to or arise out of any such Transaction, through the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules. In the event of a conflict between the Rulebook and the AAA’s Commercial Arbitration Rules, the terms of the Rulebook shall control.

(ii) Notwithstanding the foregoing, this Rule 701 does not require an employee of a Participant to submit to arbitration any claim that includes allegations of a violation of federal, state, or local employment discrimination, sexual harassment, wage payment or benefits laws.

(b) Claims Against the Exchange or Clearing House

(i) Claims Against the Exchange: Claims against the Exchange pursuant to the provisions of Rule 541, subject to the limitations of Rule 537 can be submitted to arbitration through the American Arbitration Association or another arbitration program permitted by the CFTC Regulations. Such arbitration shall be conducted pursuant to the Rules and the AAA’s Commercial Arbitration Rules.

(ii) Claims Against the Clearing House: Claims against the Clearing House must be pursued pursuant to the Rules of the Clearing House

(c) Permissive Arbitrations. The following may be submitted for arbitration through the American Arbitration Association and, in the event such a claim is submitted against a Participant, that Participant is required to arbitrate the dispute under these Rules, unless otherwise provided:

(i) claims of a Customer that is not a Participant against a Participant that relate to or arise out of any Transaction on or subject to the Rules of the Exchange;

(ii) claims against a Participant pursuant to Rule 541;

(iii) claims of a Customer that is not a Participant against a Clearing Firm responsible for the performance of a Contract on or subject the rules of the Exchange and/or against a Participant in connection with such a Transaction; and

(iv) at the discretion of the Chief Regulatory Officer, any claim involving the interests of the Exchange, its Participants, their business relations, or commodity futures trading in general not otherwise arbitrable under these rules, provided the parties have consented to such arbitration.

(d) Waiver of Any Objection to Jurisdiction. Any Person who is not a Participant who submits a claim or grievance to arbitration or any Person who appeals any arbitration decision, or who takes any steps therein, shall be conclusively presumed to have voluntarily recognized and agreed to the jurisdiction of the American Arbitration Association to hear and determine the claim or appeal.

(e) Referral to the American Arbitration Association

If a complaint is received by the Exchange from a Customer, it shall be referred to the Exchange Compliance Department, which shall inform the Customer of alternatives under Applicable Law for asserting a claim based on that complaint.

(f) TEX is adopting the AAA Commercial Arbitration Rules as set forth in this Rule 701. Any violation of the AAA Commercial Arbitration Rules shall be a violation of this Rule 701.

RULE 702. INITIATING AN ARBITRATION CLAIM

(a) A claimant may initiate a claim by submitting the required documents and fees to the American Arbitration Association.

(b) A claimant shall provide notice of such arbitration claim to the Exchange.

RULE 703. EXCEPTIONS TO REQUIRED ARBITRATION

This Chapter 7 does not apply to disputes between Participants where: (1) such Participants are required by the Rules of a Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory Organization; or (2) that such Participants have, by valid and binding agreement, committed to negotiate or litigate in a forum other than AAA.

RULE 704. NOTICE

The Exchange will ensure that Persons subject to arbitration under this Chapter 7 will be provided with adequate notice of the claims presented against such Person, as well as any fees and costs that may be assessed against such Person.

RULE 705. RIGHT TO COUNSEL

Every Person is entitled to represent his or her own interests, be represented by counsel of his or her choosing and at his or her own expense who is admitted to practice before the highest court in any State, by a family member or be represented by any other non-compensated representative. An entity must be represented by an officer or owner of the entity or by counsel.

RULE 706. PENALTIES

(a) Any failure on the part of a Participant to arbitrate a dispute subject to this Chapter, or the commencement by any such Participant of a suit in any court prior to arbitrating a case subject to this Chapter, violates the Rules and may subject such Person to a Disciplinary Proceeding pursuant to Chapter 6 of these Rules.

(b) The Exchange may summarily suspend, pursuant to Chapter 6 of these Rules, a Participant that fails to timely satisfy an arbitration award or settlement rendered in any arbitration pursuant to this Chapter.

CHAPTER 8 CLEARING

RULE 801. CLEARING FIRMS

(a) To become, and continue to be, a Clearing Firm for Transactions executed on or through the Exchange, a Clearing Firm must:

(i) demonstrate to the satisfaction of the Exchange that it meets the requirements of, and is approved for, clearing membership at the Clearing House and is authorized by the Clearing House Rules to clear Transactions in any or all Contracts;

(ii) submit to the Exchange documentation in the manner prescribed by the Exchange, including, providing such information and documentation, as may be reasonably requested by the Exchange, and follow the procedures established by the Exchange;

(iii) agree to be subject to the jurisdiction of the Exchange;

(iv) comply with the Rules of the Exchange and Applicable Law;

(v) comply with all applicable Clearing House Rules and act in a manner consistent with such Clearing House Rules;

(vi) fulfill its clearing obligations in accordance with Rule 806;

(vii) assist the Exchange in any Investigation into potential violations of the Rules or Applicable Law which occur through or with respect to any Transaction cleared by such Clearing Firm; provided that such assistance must be timely and may include the Clearing Firm being required to produce documents, to answer questions from the Exchange, or to appear in connection with an Investigation;

(viii) maintain all required and necessary regulatory approvals or licenses to operate as a Clearing Firm;

(ix) set risk limits and screen all Orders for Market Participants for whom it clears, and has the right to suspend trading for any such Market Participant;

(x) notify the Exchange upon becoming aware of any material changes to the information or documentation provided to the Exchange; and

(xi) for any Clearing Firm organized or located outside of the United States, 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) A Clearing Firm shall be solely responsible for controlling and monitoring the use of all Admin IDs issued to its Authorized Users by the Exchange. Clearing Firm 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. Clearing Firm 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 Clearing Firm.

(c) A Clearing Firm is deemed to be a Participant as described in Chapter 3 of this Rulebook and may grant Sponsored Access to any Customer it deems suitable to transact in Contracts listed by the Exchange. A Clearing Firm must meet the same fitness standards of a Participant in Rule 302.

(d) All Transactions executed pursuant to TEX Rules must be cleared through the Clearing House in accordance with Clearing House rules and in conformity with all Rules specified in this Chapter. All Transaction shall be transmitted for clearing by the Exchange to the Clearing House as soon as technologically practicable after execution.

(e) The Exchange may share information with any Clearing House that would assist such Clearing House in evaluating and monitoring a Clearing Firm's compliance with these Rules. By becoming a

Clearing Firm, a Clearing Firm and its Authorized Users, agents and employees agree to cooperate with the Exchange and each relevant Clearing House in any such monitoring.

(f) Clearing Firms shall have the right to clear Contracts in accordance with all applicable Rules and Clearing House Rules.

RULE 802. CLEARING HOUSE RULES

(a) The clearing services provided by a Clearing House with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts (including rights and obligations in respect of clearing and settlement, variation payments and performance at maturity) shall be governed by the Clearing House Rules of such Clearing House.

(b) The Clearing House provides clearing and settlement services for the Contracts.

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

RULE 803. OTHER CLEARING ORGANIZATIONS

If the Exchange designates a DCO other than the Clearing House to clear Contracts for which there are open positions, each Clearing Firm shall either become a Clearing Firm of such successor DCO, or cause any such open Contracts carried by it either to be transferred to a Clearing Firm of such successor DCO or to be liquidated.

RULE 804. TRANSFERS OF TRADES

Clearing Firms may transfer positions in cleared Contracts on the books of a Clearing Firm or from one Clearing Firm to another Clearing Firm in accordance with the Rules and operational procedures of the Clearing House in force from time to time.

RULE 805. CONCURRENT LONG AND SHORT TRANSACTIONS

Clearing Firms shall adhere to the Clearing House Rules and procedures, and CFTC regulations relating to concurrent long and short positions in Contracts, and hold-open accounts holding such positions.

RULE 806. CLEARING GUARANTEE

Any Person initiating or executing a Transaction on or subject to the Rules of the Exchange directly or through an intermediary, as the case may be, must either be a Clearing Firm or have clearing arrangements in place with an FCM Clearing Firm that apply to such Transactions. A Person that is also a Clearing Firm guarantees its own performance on any Contract executed on the Exchange to both the Exchange and the Clearing House. An FCM Clearing Firm that has clearing arrangements with a Person thereby guarantees the Person's performance on any Contract executed on the Exchange to both the Exchange and the Clearing House.

**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

Market Participants shall permit the Exchange to share with certain third-party post-transactional processing providers, 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 Regulatory 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 Market Participants and all employees, agents, vendors, and other Persons affiliated with the foregoing acknowledge and agree that subject to each Market Participant's rights in their 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 Daily Settlement Price of each Contract;

(iv) the yield curves prepared by the Exchange;

(v) any data and information derived from (i) through (iv) above and the format and presentation thereof; and

(vi) the transmission and dissemination of the data and information to Market 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, Market 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 such Market Participant 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 Market 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.

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

(e) 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 as defined in Rule 904(a) is not deemed to be such information requiring consent. The Exchange shall not condition access to the Platform on a person's consent to use such data for business or marketing purposes.

(f) Notwithstanding the provisions of this Rule 904, the Exchange must report certain of the Market Data to the CFTC pursuant to CFTC Regulations and must make certain Market Data publicly available on its website on a daily basis. Publicly reported data will be displayed in an anonymized manner that does not disclose the business transactions or market positions of any Market Participant, except as required by regulatory requirement or request.

RULE 905. SETTLEMENT PRICES; PUBLICATION OF TRADE INFORMATION

(a) The Exchange will provide the Clearing House with Settlement Prices each Business Day. The Daily Settlement Price shall be determined at the conclusion of Trading Hours on a Business Day as defined under the relevant Contract Specification, based on the methodology developed for each Contract. For each Contract Expiry, the Exchange shall publish on the Exchange Website a Daily Settlement Price and other pricing information (open, close, high, low), as well as volume, open interest, and other relevant information as required by Part 16 of the CFTC Regulations.

(b) The Exchange will provide the Clearing House with the Final Settlement Prices at the end of the Final Settlement Period on the Expiry of the Contract. Settlement Prices will be calculated as defined by the Contract Specification.

(c) The Exchange reserves the right to adjust Daily and Final Settlement Prices as it deems necessary based on current market conditions or otherwise. Notwithstanding the foregoing, the Clearing House may modify Settlement Prices in its discretion in accordance with Clearing House Rules.

(d) All such information required by this Rule will be transmitted to the CFTC on a daily basis, in addition to transaction-level data and other information as required by Part 16 of the CFTC Regulations.

RULE 906. EXTENSION OR WAIVER OF RULES

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

RULE 907. GOVERNING LAW

The law of the State of Illinois shall govern any dispute arising between the Exchange and a Participant without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws provisions.

RULE 908. FORCE MAJEURE

Notwithstanding any other provision of the Rules, the Exchange shall not be obligated to perform its obligations under the Rules or any agreement with a Participant, or to compensate any Person for losses occasioned by any delay or failure of performance, to the extent a delay or failure of performance is the result of circumstances that the Exchange determines, in its sole discretion, may have an adverse effect upon the functions and facilities of the Exchange, including, but not limited to, acts of God, fire or other natural disasters, inclement weather, embargos, bomb threats, pressure waves, disruption of electricity, communication outages or delays, acts or threats of terrorism, riots, commotions, strikes, war, invasions, hostilities (whether declared or not), epidemics, pandemics, and contaminations.