

EX RULEBOOK

Joint Rulebook of Electron Exchange DCM, LLC & Electron Exchange DCO, LLC

VERSION 1.0 – MAY 1, 2023

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE EX SYSTEM, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A PARTICIPANT, AND ITS AUTHORIZED USERS AGREE (I) TO BE BOUND BY, AND COMPLY WITH, THE RULES OF THE EXCHANGE, THE RULES OF THE CLEARINGHOUSE, ANY APPLICABLE CONTRACT RULES AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT OR THEM, AND (II) TO BECOME SUBJECT TO THE JURISDICTION OF EX WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT AND/OR ITS AUTHORIZED USERS.

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CHAPTER 1 DEFINITIONS

1.1. Defined Terms

Unless otherwise specifically provided in the Rules or the context otherwise requires, the terms defined in this Rule 1.1 shall for all purposes of the Rules have the meanings specified herein.

“**Account**” shall have the meaning ascribed to it in Rule 3.3.

“**Affiliate**” an “**Affiliate**” of, or a Person “**Affiliated**” with, another Person is a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

“**API**” means an application programming interface, which is a set of programming code that queries data, parses responses, and sends instructions between one software and another.

“**Appeals Panel**” means a panel comprised of 3 individuals from the Regulatory Oversight Committee or otherwise as provided in Rule 7.12(e), with one individual acting as chairman, which will consider appeals in accordance with Chapter 7.

“**Applicable Law**” means, with respect to any Person, any statute, law, regulation, Rule or ordinance of any governmental or self-regulatory authority applicable to such Person, including without limitation the CEA, CFTC Regulations, and the NFA rules, and any laws relating to economic or trade sanctions.

“**Authorized User**” means any natural person who is authorized by a Participant to place Orders on its behalf, or if the Participant is a natural person, may be such natural person itself.

“**Board of Managers**” or “**Board**” means, as the context requires, the Board of Managers of the Exchange or the Board of Managers of the Clearinghouse.

“**Business Day**” means every day, including a Saturday, Sunday or any weekday from 07:00 EST to 22:00 EST, except for days upon which banking institutions in New York, New York are required by law, regulation or executive order to be closed.

“**CEA**” means the U.S. Commodity Exchange Act as in effect from time to time.

“**CFTC**” means the U.S. Commodity Futures Trading Commission and includes any successor agency or authority.

“**CFTC Regulation**” means any rule, regulation, order or directive and any interpretation thereof or guidance thereon issued from time to time by the CFTC.

“**Chief Compliance Officer**” means the individual appointed jointly by the Boards from time to time to serve as the chief compliance officer of the Exchange and the Clearinghouse.

The Chief Compliance Officer's responsibilities include the responsibilities of a chief regulatory officer of a designated contract market under [Part 38 of the CFTC Regulations](#) and the responsibilities of a chief compliance officer of a derivatives clearing organization under [Part 39 of the CFTC Regulations](#).

“Chief Executive Officer” means, as the context requires, the individual appointed from time to time by the Board of the Exchange to serve as chief executive officer of the Exchange or by the Board of the Clearinghouse to serve as chief executive officer of the Clearinghouse. The Boards may jointly appoint the same individual to serve as the Chief Executive Officer of both the Exchange and Clearinghouse.

“Chief Financial Officer” means, as the context requires, the individual appointed from time to time by the Board of the Exchange to serve as chief financial officer of the Exchange or by the Board of the Clearinghouse to serve as chief financial officer of the Clearinghouse. The Boards may jointly appoint the same individual to serve as the Chief Financial Officer of both the Exchange and Clearinghouse.

“Chief Operating Officer” means, as the context requires, the individual appointed from time to time by the Board of the Exchange to serve as chief operating officer of the Exchange or by the Board of the Clearinghouse to serve as chief operating officer of the Clearinghouse. The Boards may jointly appoint the same individual to serve as the Chief Operating Officer of both the Exchange and Clearinghouse.

“Chief Risk Officer” means the individual appointed by the Board of the Clearinghouse from time to time to serve as chief risk officer of the Clearinghouse.

“Chief Technology Officer” means, as the context requires, the individual appointed from time to time by the Board of the Exchange to serve as chief technology officer of the Exchange or by the Board of the Clearinghouse to serve as chief technology officer of the Clearinghouse. The Boards may jointly appoint the same individual to serve as the Chief Technology Officer of both the Exchange and Clearinghouse.

“Clearinghouse” means Electron Exchange DCO, LLC, a Delaware limited liability company, in its capacity as a derivatives clearing organization registered with the CFTC under section 5b of the CEA.

“Clearing Privileges” means the right of a Participant granted by the Clearinghouse to clear transactions in Contracts through the Clearinghouse.

“Closed Contract Position” shall mean any combination of long and short Open Contract Positions that have been offset against each other.

“Compliance Department” means the Officers and employees of the Exchange who are responsible for maintaining the compliance integrity of the Exchange and the Clearinghouse.

“**Contract**” means any contract that EX may approve from time to time for trading on or subject to the Rules of the Exchange and for which transactions in the contract are cleared through the Clearinghouse.

“**Contract Rules**” means the rules with respect to a particular Contract that govern the terms of, and the applicability of these Rules to, trading in such Contract.

“**Control**” means the power to exercise a controlling influence over the management or policies of a Person. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

“**Disciplinary Panel**” shall have the meaning ascribed to it in Rule 7.6.

“**Entity**” means on a specified date any Person other than a natural person (e.g., a corporation, partnership, sole proprietorship, or trust).

“**EX**” means the Exchange and Clearinghouse, collectively, or to either of them individually as the context may require.

“**EX System**” means the proprietary order entry and execution system used by the Exchange for the placement and execution of Orders or the collection and transmission of information relating to Contracts.

“**Exchange**” means Electron Exchange DCM, LLC, a Delaware limited liability company, in its capacity as a designated contract market registered with the CFTC under section 5 of the CEA.

“**Expiration Time**” means the specified time on a specified date established by the Exchange as when Final Settlement of a Contract occurs.

“**Final Settlement**” means the process by which all Open Contracts are liquidated at a Contract’s Expiration Time.

“**Final Settlement Amount**” means the amount, if any, to be paid by the Clearinghouse to holders of Open Contract Positions upon Final Settlement as determined by the Final Settlement Price and Contract rules.

“**Final Settlement Price**” means, with respect to any Contract, the price used in Final Settlement for the purpose of calculating Final Settlement Amounts.

“**Fully-Collateralized Contracts**” means Contracts with respect to which each party’s potential financial obligations are fully paid at the time the Contracts are entered into, and with respect to which no further amounts are due, either for margin, settlement amounts or otherwise.

“**Incentive Program**” means an EX program offering compensation or other incentives to Participants that perform certain functions or provide liquidity pursuant to a published EX incentive rule.

“Incentive Program Participant” means any Participant that participates in an EX Incentive Program.

“Limit Order” means an Order in which a Participant (either directly or via an Authorized User acting on its behalf) specifies the minimum sale price or maximum purchase price of a Contract.

“Manager” means, as the contest requires, a member of the Board of Managers of the Exchange or of the Clearinghouse. The same individuals may serve as Managers on the Boards of both the Exchange and the Clearinghouse.

“Market-Limit Order” means an order to buy or sell a stated amount of a contract that is to be executed at the time the order reaches the Exchange. Any unexecuted portion of a Market-Limit Order will become a Limit Order within the System if it cannot be executed by the Exchange.

“Match Eligible” means the highest priority bid Order and the highest priority offer Order in the EX System when such Orders meet all the necessary parameters to be matched.

“NFA” means the National Futures Association and includes any successor organization.

“Novation” means the substitution of the Clearinghouse as the counterparty on a Participant’s transaction in a Contract upon the Clearinghouse’s acceptance of the transaction for clearing, whereupon the Clearinghouse becomes the buyer to a Participant that sold the Contract and the seller to the Participant that purchased the contract.

“Officer” shall have the meaning ascribed to it in Rule 2.6.

“Open Contract Positions” means any combination of long and short Contract positions that have not been offset against each other.

“Order” means any order to buy or sell a Contract on or subject to the Rules of the Exchange.

“Original Margin” means the amount and type of assets required to be on deposit with the Clearinghouse pursuant to the applicable Contract Rules to establish a position in the relevant Contract.

“Participant” means any Person that has been granted Trading Privileges and Clearing Privileges or otherwise remains subject to the jurisdiction of the Exchange and/or the Clearinghouse under these Rules.

“Participant Agreement” means an agreement among a Participant, the Exchange and the Clearinghouse that a Participant must execute as a condition to obtain Trading Privileges and Clearing Privileges, in such form as EX may prescribe.

“**Person**” means any natural person, or an association, partnership, limited liability company, joint venture, trust, corporation, or other form of legal entity.

“**Position Accountability Level**” means the size of positions in a Contract above which a Participant holding the positions is required to submit reports to the Exchange.

“**Public Manager**” means an individual found, by action of the Board of Managers, on the record, to satisfy the requirements of a “public director” under Appendix B to Part 38 of the CFTC Regulations or conform to any amendments or modifications to the term “public director” set forth in CFTC Regulations as the CFTC may adopt from time to time.

“**Purchaser**” means the Participant that is the purchaser under a transaction in a Contract. The Purchaser is the holder of a long position in such Contract.

“**Regulatory Services Agreement**” shall have the meaning ascribed to it in Rule 2.12.

“**Regulatory Oversight Committee**” means the committee of the Board of the Exchange constituted in accordance with Rule 2.3.

“**Responsible Agent**” shall have the meaning ascribed to it in Rule 3.7(a).

“**Rulebook**” means this EX Rulebook.

“**Rules**” means the EX rules, as outlined in this Rulebook and as may be amended from time to time.

“**Seller**” means the Participant that is the seller under a transaction in a Contract. The Seller is the holder of a short position in such Contract.

“**Settlement Bank**” means a depository approved by EX as an acceptable location for depositing and holding Participant funds.

“**Trading Day**” means any day on which the Exchange is open and available for the trading of Contracts and the Clearinghouse is open and available for the clearing of Contracts.

“**Trading Hours**” means, with respect to any Contract, the hours during which the Exchange is regularly open for the trading of such Contract.

“**Trading Privileges**” means the right granted to a Participant by the Exchange to enter Orders to the EX System.

“**Underlying**” means the index, asset, rate, risk, measure, instrument, differential, indicator, value, contingency, occurrence, or extent of an occurrence that shall determine the amount payable or deliverable under a Contract traded on the Exchange.

“**USD**” means United States dollar.

“**User ID**” shall have the meaning ascribed to it in Rule 4.2.

1.2. Rules of Interpretation

For all purposes of these Rules, except as otherwise expressly provided herein or unless the context otherwise requires:

- (a) the terms defined in these Rules include the plural as well as the singular and *vice versa*;
- (b) words importing gender include all genders;
- (c) any reference to a Chapter or Rule refers to a Chapter or Rule of these Rules;
- (d) any reference to these Rules refers to these Rules, including all Appendices hereto, and the words herein, hereof, thereto, hereto and hereunder and words of similar import refer to these Rules and their appendices as a whole and not to any particular Chapter, Rule or any other subdivision;
- (e) references to days, months and years refer to calendar days, months and years, respectively;
- (f) all references herein to “including” shall be deemed to be followed by the words “without limitation”;
- (g) any term used herein that is defined in the CEA or CFTC Regulations shall have the meaning assigned to it therein (as such definition may be revised from time to time); and
- (h) all references herein to a time of day refer to local time in The City of New York.

1.3. Effect of Titles

The titles of these Rules have been inserted for convenience of reference only and shall not affect the meaning of these Rules.

1.4. Amendment of Rules

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

1.5. Contract Rules

(a) Notwithstanding any provision of these Rules to the contrary, the Contract Rules with respect to a particular Contract shall govern the applicability of these Rules to trading in such Contract and, in the event of any conflict between these Rules and the Contract Rules, the Contract Rules shall govern with respect to trading in the relevant Contract.

1.6. Rules of the Exchange and Clearinghouse

The Rules in Chapter 3 and Chapter 5, and any Rule that sets forth a right, obligation or authority of the Clearinghouse or of EX constitute Rules of each of the Exchange and the Clearinghouse, whereas other Rules constitute Rules of the Exchange alone.

CHAPTER 2 GOVERNANCE

2.1. Authority of the Boards of Managers

(a) The Exchange and Clearinghouse shall each have its own Board of Managers. The same individuals may serve as Managers on the Board of each. The Boards will have the authority to take actions either collectively or separately with respect to the Exchange and the Clearinghouse.

(b) The Board of Managers of the Exchange and the Board of Managers of Clearinghouse each has the power and authority to manage and direct the business and activities, respectively, of the Exchange and Clearinghouse, including but not limited to the power to establish the standards for Participant eligibility and access to the secure portions of EX's website, the power to amend, adopt, or repeal these Rules, and the power to oversee the business conduct of Participants and impose penalties for violation of these Rules. Each Board of Managers shall manage the business and affairs, respectively, of the Exchange and Clearinghouse, in accordance with Applicable Law, and shall have all power and authority provided to a board of managers under Applicable Law. Notwithstanding the foregoing, either Board may, from time to time, delegate any or all aspects of the management of the day-to-day business and affairs of, respectively, the Exchange or Clearinghouse to a Chief Executive Officer.

(c) The number of Managers on the Exchange's Board of Managers shall be five, at least 35% of whom shall be Public Managers, or such other percentage of the Board as may be required by CFTC Regulations as amended from time to time. Any vote made by the Exchange's Board that results in a tie will require that the Board reconvene to reconsider the matter until such tie is broken. The number of Managers on the Exchange's Board may be increased or decreased from time to time by a vote of the Board, provided there are at all times at least five Managers.

(d) The number of Managers on the Clearinghouse's Board of Managers shall be five, at least 35% of whom shall be Public Managers, or such other percentage of the Board as may be required by CFTC Regulations as amended from time to time. Any vote made by the Clearinghouse's Board that results in a tie will require that the Board reconvene to reconsider the matter until such tie is broken. The number of Managers on the Clearinghouse's Board may be increased or decreased from time to time by a vote of the Board, provided there are at all times at least five Managers.

(e) The Board of Managers of the Exchange has the power and authority to call for review, and to affirm, modify, suspend, or overrule any and all decisions and actions of committees of the Board, other than the Regulatory Oversight Committee, and Officers of the Exchange.

(f) The Board of Managers of the Clearinghouse has the power and authority to call for review, and to affirm, modify, suspend, or overrule any and all decisions and actions of committees of the Board and Officers of the Clearinghouse.

2.2. Eligibility

No Person may serve as an Officer or Manager of the Exchange or as an Officer or Manager of the Clearinghouse, or serve on any disciplinary committee, arbitration panel or oversight panel of the Exchange, or serve as the Chief Compliance Officer of EX, if such Person:

(a) was found within the past three years by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the CFTC to have committed a violation of Applicable Law;

(b) entered into a settlement agreement within the past three years in which any of the findings or, in absence of such findings, any of the acts charged included a violation of Applicable Law;

(c) is currently suspended from trading on any contract market, is suspended or expelled from membership from any self-regulatory organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:

(i) a finding by a 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

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

(d) is currently subject to an agreement with the CFTC or any self-regulatory organization not to apply for registration with the CFTC or membership in any self-regulatory organization;

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

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

(g) is subject to a statutory disqualification under sections 8a(2) and 8a(3) of the CEA.

2.3. Exchange Regulatory Oversight Committee

(a) Unless otherwise determined by the Exchange's Board of Managers, the Exchange's Board shall initially have one standing committee: the "Regulatory Oversight Committee". The Regulatory Oversight Committee shall have the authority granted to a regulatory oversight committee under Applicable Law and by the Board of Managers. The Regulatory Oversight Committee shall consist solely of Public Managers, who shall be members of the Board

of Managers, and shall be appointed from time to time by the chairperson of, and approved by, the Board of Managers. The Regulatory Oversight Committee shall oversee the Exchange's regulatory compliance program on behalf of the Board of Managers. It shall make such recommendations to the Exchange's Board of Managers as will, in its judgment, best promote the interests of the Exchange, *provided* that, for the avoidance of doubt, any dissenting opinions from one or more members of the Regulatory Oversight Committee shall be reported to the Board of Managers along with any such recommendation. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as the Exchange's Board of Managers may delegate to it from time to time.

(b) Without limiting the generality of the foregoing, the Regulatory Oversight Committee shall have authority to: (i) monitor the Exchange's regulatory program for sufficiency, effectiveness and independence, (ii) oversee all facets of the Exchange's regulatory program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Participants (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations, (iii) review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel, (iv) supervise EX's Chief Compliance Officer, who will report directly to the Regulatory Oversight Committee, (v) prepare an annual report assessing the Exchange's self-regulatory program for the Board of Managers and the CFTC, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels, (vi) recommend changes that would ensure fair, vigorous, and effective regulation, (vii) review regulatory proposals and advise the Board of Managers as to whether and how such changes may impact regulation, and (viii) exercise any other functions expressly assigned to it in these Rules or under Applicable Law.

2.4. Other Exchange Committees

(a) The Exchange's Board of Managers may create additional committees or panels, for such purposes as may be necessary or advisable, as determined by the Board of Managers from time to time. Such committee may assist in the supervision, management, and control of the affairs of the Exchange within its particular area of responsibility and shall have the scope and authority granted to it by the Board of Managers. Members of each such committee may be members of the Board of Managers, Participants, Authorized Users or such other individuals as may be qualified to serve on such committee. Any such committee or panel may serve indefinitely or for specified, limited periods of time, as determined by the Board of Managers.

(b) Subject to the authority of the Exchange's Board of Managers, each committee shall determine the manner and form in which its proceedings shall be conducted and may act at a meeting or without a meeting, and through a quorum composed of a majority of all its members then in office, inclusive of *ex officio* members. Except as otherwise specifically provided in these Rules, the decision of a majority of those present at a meeting at which a quorum is present, or the decision of a majority of those participating when at least a quorum participates, shall be the decision of the committee. Any or all members of any committee may participate in any meeting thereof by telephone or video conference or similar communications equipment by

means of which all members participating in such meeting can hear and, if applicable, see each other.

(c) In the event of the absence or disqualification of any member of a committee from any meeting thereof, each of the following individuals, in the order of their availability, may appoint another qualified individual to act at the relevant meeting in the place of any such absent or disqualified member: (i) the chairperson of the Exchange's Board of Managers or (ii) the chairperson of the committee in question.

2.5. Clearinghouse Committees

(a) The Clearinghouse's Board of Managers may create one or more Board or non-Board committees for such purposes as may be necessary or advisable, as determined by the Board of Managers from time to time. Such committee may assist in the supervision, management, and control of the affairs of the Clearinghouse within its particular area of responsibility and shall have the scope and authority granted to it by the Board of Managers. Members of each such committee may be members of the Board of Managers, Participants, Authorized Users or such other individuals as may be qualified to serve on such committee. Any such committee or panel may serve indefinitely or for specified, limited periods of time, as determined by the Clearinghouse's Board of Managers.

(b) Subject to the authority of the Clearinghouse's Board of Managers, each committee shall determine the manner and form in which its proceedings shall be conducted and may act at a meeting or without a meeting, and through a quorum composed of a majority of all its members then in office, inclusive of *ex officio* members. Except as otherwise specifically provided in these Rules, the decision of a majority of those present at a meeting at which a quorum is present, or the decision of a majority of those participating when at least a quorum participates, shall be the decision of the committee. Any or all members of any committee may participate in any meeting thereof by telephone or video conference or similar communications equipment by means of which all members participating in such meeting can hear and, if applicable, see each other.

(c) In the event of the absence or disqualification of any member of a committee from any meeting thereof, each of the following individuals, in the order of their availability, may appoint another qualified individual to act at the relevant meeting in the place of any such absent or disqualified member: (i) the chairperson of the Clearinghouse's Board of Managers or (ii) the chairperson of the committee in question.

2.6. Officers

(a) The Exchange and the Clearinghouse shall each appoint a Chief Executive Officer, Chief Operating Officer, Chief Technology Officer, and Chief Financial Officer; the Exchange and Clearinghouse shall jointly appoint a Chief Compliance Officer; the Clearinghouse shall appoint a Chief Risk Officer, and the Exchange or Clearinghouse may appoint other officers from time to time as determined by their respective Boards of Managers (each individually an "**Officer**"). An individual may hold multiple Officer positions simultaneously, as determined by the applicable Board of Managers.

(b) Officers of the Exchange are appointed and may be dismissed (with or without cause) by majority vote of the Exchange's Board of Managers.

(c) Officers of the Clearinghouse are appointed and may be dismissed (with or without cause) by majority vote of the Clearinghouse's Board of Managers.

(d) The Chief Executive Officer of the Exchange may be, but shall not be required to be, a Manager of the Exchange. In the absence of the chairman, the Chief Executive Officer will perform the chairman's duties. In the event of a disagreement between the Chief Executive Officer and the Board of Managers or the chairman as to an Exchange matter, the chairperson and/or Board of Managers shall control. Subject to the direction of the Exchange's Board of Managers, the Chief Executive Officer will manage the overall business of the Exchange.

(e) The Chief Executive Officer of the Clearinghouse may be, but shall not be required to be, a Manager of the Clearinghouse. In the absence of the chairman, the Chief Executive Officer will perform the chairman's duties. In the event of a disagreement between the Chief Executive Officer and the Board of Managers or the chairman as to a Clearinghouse matter, the chairperson and/or Board of Managers shall control. Subject to the direction of the Clearinghouse's Board of Managers, the Chief Executive Officer will manage the overall business of the Clearinghouse.

(f) The Chief Operating Officer of the Exchange is responsible for managing the day-to-day operations of the Exchange, and will keep the minutes of the meetings of the of the Exchange's Board. In the absence of the Chief Executive Officer, the Chief Operating Officer will perform the duties of the Exchange's Chief Executive Officer and such other duties as from time to time may be assigned by the Exchange's Chief Executive Officer or Board of Managers.

(g) The Chief Operating Officer of the Clearinghouse is responsible for managing the day-to-day operations of the Clearinghouse, and will keep the minutes of the meetings of the of the Clearinghouse's Board. In the absence of the Chief Executive Officer, the Chief Operating Officer will perform the duties of the Clearinghouse's Chief Executive Officer and such other duties as from time to time may be assigned by the Clearinghouse's Chief Executive Officer or Board of Managers.

(h) The Chief Compliance Officer of EX must be an individual who (i) is knowledgeable about derivative market operations as well as CFTC Regulations and (ii) reports directly to the Regulatory Oversight Committee. The Chief Compliance Officer is responsible for managing the day-to-day regulatory compliance functions of EX.

(i) The Chief Risk Officer of the Clearinghouse is responsible for managing the day-to-day financial, technical, and operational risk areas of the Clearinghouse and such other duties as from time to time may be assigned by the Clearinghouse's Chief Executive Officer or Board of Managers.

(j) The Chief Technology Officer of the Exchange is responsible for managing the day-to-day integrity of the EX System and is responsible for long range technology planning and information security and such other duties as from time to time may be assigned by the Exchange's Chief Executive Officer or Board of Managers.

(k) The Chief Financial Officer of the Exchange is responsible for all funds and other financial assets of the Exchange and in general perform all duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned by the Exchange's Chief Executive Officer or Board of Managers.

(l) The Chief Financial Officer of the Clearinghouse is responsible for all funds and other financial assets of the Clearinghouse and in general perform all duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned by the Clearinghouse's Chief Executive Officer or Board of Managers.

2.7. Emergency Rules

(a) In the event of an Emergency, as described in paragraph (c) of this Rule 2.7, the Exchange's Chief Executive Officer or any individual designated by the Chief Executive Officer may place into immediate effect a temporary emergency rule, which may remain in effect for up to thirty (30) calendar days, to undertake actions necessary or appropriate to respond to the Emergency, provided that, as soon as reasonably practicable within such thirty (30) calendar day period, the Exchange's Board of Managers considers and approves such action and, if it disapproves such action, the temporary emergency rule shall be terminated. Should the Emergency persist for longer than thirty (30) calendar days, such temporary emergency rules may be extended for additional thirty (30) calendar day periods, so long as there is: (1) an affirmative vote of two-thirds of the members of the Board of Managers at a meeting at which a quorum is present; or (2) there is a written authorization and acknowledgement signed by at least two Officers of the Exchange, provided that, as soon as reasonably practicable within such thirty (30) calendar day period, the Exchange's Board of Managers considers and approves such action and, if it disapproves such action, the temporary emergency rule shall be terminated. In any event, the rationale for invoking such emergency authority should be documented by the Board of Managers as soon as reasonably practicable.

(b) Any temporary emergency rule adopted under this Rule may authorize the Exchange to act as the Board of Managers or Officers deem necessary or appropriate to meet the Emergency, and those actions may adversely affect the ability to trade on the Exchange or clear transactions through the Clearinghouse. Therefore, the possibility of an Emergency, and of the Exchange taking emergency action, is one of the risks that Participants should consider when deciding whether to trade and clear transactions on EX.

(c) An "Emergency" may include any of the following circumstances, subject to the determination of the Board of Managers:

(i) any trading activity that constitutes manipulation or attempted manipulation of the Exchange or Clearinghouse;

(ii) any actual, attempted, or threatened corner, squeeze, or undue concentration of positions;

(iii) any circumstance that may materially affect the performance of the Contracts traded on or cleared through EX, including failure of the payment system

or bankruptcy or insolvency of any participants, Settlement Bank or other bank or custodian;

(iv) any action taken by the United States, any foreign government, any state or local governmental body, any other contract market or board of trade, or any other exchange, market, facility, or trade association (foreign or domestic) that may have a direct and material impact on trading on or clearing through EX;

(v) any circumstances that may have a severe, adverse impact upon the functions or operation of EX including, for example, natural disasters such as fire or flood, terrorist acts such as bomb threats, physical plant breakdowns such as plumbing, heating, or air conditioning problems, system breakdowns such as power, telephony, cable, trading systems, or computer systems failures or interruptions to communications, the network, or the Internet;

(vi) the imposition of any injunction or other restraint by any government agency, court, or arbitrator that may affect the ability of a Participant to perform on Contracts;

(vii) any circumstance in which it appears that a Participant or any other person is in such operational condition, or is conducting business in such a manner, that such person cannot be permitted to continue in business without jeopardizing the safety of Participants, the Exchange or the Clearinghouse; and

(viii) any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, 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 Contracts traded or cleared through on EX.

(d) If deemed necessary to mitigate perceived market disruptions caused by an Emergency, an Exchange official authorized to do so may suspend trading on the Exchange and clearing through the Clearinghouse during the duration of the emergency or take any other action that the official thinks is necessary or appropriate. The official will order an end to the action taken in response to the emergency as soon as the official determines that the emergency has sufficiently abated to permit EX to function properly.

(e) The Exchange will make every effort practicable to notify the Director of the Division of Market Oversight of the CFTC, the Director's delegates, and/or other persons designated by the CFTC's Regulations that EX intends to implement, modify, or terminate a temporary emergency rule pursuant to Rule 2.7(a) or an action in response to an emergency pursuant to Rule 2.7(d) prior to the implementation, modification, or termination of the rule or action. If it is not possible to notify the CFTC prior to the implementation, modification, or termination of the rule or action, EX will notify the CFTC of the implementation, modification, or termination of the rule or action at the earliest possible time, and in no event more than 24 hours after implementation, modification, or termination.

2.8. Restrictions on Certain Persons Who Possess Material, Non-Public Information

(a) No Officer, Manager, employee, or agent of the Exchange or Clearinghouse, and no member of any committee established by the Board of Managers of the Exchange or the Board of Managers of the Clearinghouse, shall use or disclose any material, non-public information obtained in connection with the performance of his or her official duties, for any purpose other than the performance of his or her official duties.

(b) No Officer, Manager, employee or agent of the Exchange or Clearinghouse, and no member of any committee established by the Board of Managers of the Exchange or the Board of Managers of the Clearinghouse, shall disclose to any other Person material, non-public information, however obtained (including, without limitation, material non-public information obtained by an employee or agent in connection with such employee or agent's employment or agency, as the case may be), if such Person could reasonably expect that such information might assist another Person in trading any Contract or related contract or financial instrument.

(c) No Officer or employee of the Exchange or Clearinghouse shall trade in any Contract. Any Manager that is affiliated with a Participant shall, when and to the extent necessary or appropriate, recuse himself or herself from any Board deliberations on any matter related to the relevant Participant, or such Participant's trading activity.

(d) For purposes of this Rule 2.8, the terms "material information," "non-public information" and "commodity interest" shall have the meanings ascribed to them in CFTC Regulation 1.59.

2.9. Conflicts of Interest

The Exchange is subject to and will ensure compliance with [CFTC Regulation 1.69](#), which prohibits members of its Board of Managers or any disciplinary or oversight committee or subcommittee (including a panel) from taking part in any deliberations or voting on any matter in which members of the Board of Managers, committee, or subcommittee member have an interest or have a relationship with a named party in interest. [CFTC Regulation 1.69](#) also requires disclosure by members of the Board of Managers, committee, or subcommittee (including a panel) of interests and relationships in certain circumstances. Consequently, members of the Exchange's Board of Managers or an Exchange committee, and subcommittee members shall not participate in the deliberations regarding, or vote on, any matter in which members of the Board of Managers, committee, or subcommittee (including a panel) have an interest or have a relationship with a named party in interest, all as defined in [CFTC Regulation 1.69](#), and shall disclose such interests in accordance with, and otherwise comply with, [CFTC Regulation 1.69](#).

2.10. Indemnification

(a) The Exchange will indemnify to the full extent authorized by law any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative in nature, by reason of the fact that such person is or was a Manager, Officer, employee, or agent of the Exchange or is or was serving at the request of the Exchange as a Manager, Officer, employee,

or agent of the Exchange against expenses, including attorneys' fees, judgments, fines, and amounts paid in connection with such action, suit, or proceeding. Such indemnification shall not be deemed exclusive of any other rights to which a person may be entitled under any agreement or as a matter of law or otherwise. The Exchange may purchase and maintain insurance on behalf of any person who is or was a Manager, Officer, employee, or agent of the Exchange against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Exchange would have the power to indemnify such person against such liability under the provisions of this Rule 2.10(a). However, no person shall be indemnified from liability for fraud, bad faith, willful misconduct, or gross negligence. Further, no person shall be indemnified against a civil penalty imposed by the CFTC under section 6b of the CEA.

(b) The Clearinghouse will indemnify to the full extent authorized by law any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative in nature, by reason of the fact that such person is or was a Manager, Officer, employee, or agent of the Clearinghouse or is or was serving at the request of the Exchange as a Manager, Officer, employee, or agent of the Clearinghouse against expenses, including attorneys' fees, judgments, fines, and amounts paid in connection with such action, suit, or proceeding. Such indemnification shall not be deemed exclusive of any other rights to which a person may be entitled under any agreement or as a matter of law or otherwise. The Clearinghouse may purchase and maintain insurance on behalf of any person who is or was a Manager, Officer, employee, or agent of the Clearinghouse against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Clearinghouse would have the power to indemnify such person against such liability under the provisions of this Rule 2.10(b). However, no person shall be indemnified from liability for fraud, bad faith, willful misconduct, or gross negligence. Further, no person shall be indemnified against a civil penalty imposed by the CFTC under section 6b of the CEA.

2.11. Regulatory Cooperation

(a) EX may from time to time enter into such agreements with domestic or foreign self-regulatory organizations, associations, boards of trade and their respective regulators providing for the exchange of information and other forms of mutual assistance for financial surveillance, routine audits, market surveillance, investigative, enforcement and other regulatory purposes as EX may consider necessary or appropriate or as the CFTC may require.

(b) The Chief Executive Officer of the Exchange or Clearinghouse (as applicable) or their delegate is authorized to provide information to an exchange or clearing organization that is a party to an information sharing agreement with EX, in accordance with the terms and conditions of such agreement.

(c) All information received by EX with respect to any information sharing agreement, shall be held in confidence by EX and shall not be provided to any non-regulatory departments or divisions of the Exchange or Clearinghouse or to any other person (including to any Affiliate), except as follows:

(i) to governmental authorities responsible for regulating financial instruments in the home jurisdiction of the requesting information sharing agreement member,

(ii) pursuant to an order of a court or other lawful process, or

(iii) as it may be necessary for conducting any investigation or disciplinary proceeding.

2.12. Regulatory Services Agreement with the NFA

The Exchange has contracted with the NFA to provide certain regulatory services to the Exchange pursuant to a regulatory services agreement (the “**Regulatory Services Agreement**”). In accordance with the Regulatory Services Agreement, the NFA may perform certain surveillance, investigative, and regulatory functions under the Rules and the Exchange may provide information to the NFA in connection with the performance by the NFA of those functions. Without limitation of the foregoing, any of the powers or functions of the Exchange under these Rules may be delegated to the NFA pursuant to the Regulatory Services Agreement in such manner and on such terms as the Exchange and the NFA may mutually agree.

CHAPTER 3 PARTICIPANTS

3.1. Participant Eligibility

(a) To be eligible to trade Contracts on the Exchange and clear transactions in Contracts through the Clearinghouse, Participants must: (i) satisfy all requirements generally applicable to Participants (and as applicable, their Authorized Users) under these Rules; (ii) satisfy such financial criteria as may be prescribed by EX from time to time; (iii) have sufficient technical and operational capabilities to fulfill any other obligations applicable to Participants or their Authorized Users as may from time to time be required by EX; and (iv) satisfy such other requirements or criteria as may from time to time be adopted by EX.

(b) If the Person applying to become a Participant to open an Account is not a natural person, the Participant must satisfy the following criteria, and must represent to EX that it does so:

(i) It is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has all licenses necessary to carry on its business as now being conducted;

(ii) It has the legal authority and is duly authorized and empowered to become a Participant and to effect transactions in Contracts on the Exchange and clear transactions in Contracts through the Clearinghouse;

(iii) It is not subject to a statutory disqualification under section 8a(2) or 8a(3) of the CEA;

(iv) It has a mechanism that is acceptable for transferring funds to and receiving funds from the Participant's Account;

(v) It has appointed one or more Authorized User(s) pursuant to Rule 3.4; and

(vi) It satisfies such other requirements or criteria as may from time to time be adopted by EX.

(c) If the Person applying to become a Participant to open an Account is a natural person, the Participant must satisfy the following criteria and represent that it:

(i) Is at least 18 years of age and has attained the age of majority in their state and/or country of residence;

(ii) Is not subject to a statutory disqualification under sections 8a(2) or 8a(3) of the CEA;

(iii) Has a mechanism that is acceptable for transferring funds to and receiving funds from the Participant's Account; and

(iv) Satisfies such other requirements or criteria as may from time to time be adopted by EX.

(d) Notwithstanding anything in the foregoing paragraphs (c) or (d) to the contrary, in considering any applicant for status as a Participant or an Authorized User of a Participant, EX may request additional information, or employ such other means that it deems desirable or appropriate, to ascertain relevant facts bearing on the applicant's qualifications; and

(e) EX in its sole discretion may deny (or may condition) the grant of Trading Privileges and/or Clearing Privileges of any Participant or any Authorized User if such Person is unable satisfactorily to demonstrate a capacity to adhere to all applicable Rules and CFTC Regulations, or for such other causes as EX may determine from time to time.

(f) EX in its sole discretion may condition or revoke a Participant's Trading Privileges and/or Clearing Privileges or, in the case of an Authorized User, condition or revoke its ability to trade and clear on behalf of a Participant, if any of the circumstances specified in the preceding paragraph (e) exist with respect to such Participant or Authorized User, or such Participant or Authorized User:

(i) fails to meet any of the qualification requirements for Trading Privileges and/or Clearing Privileges or status as an Authorized User;

(ii) fails to meet any condition placed by EX on such Trading Privileges and/or Clearing Privileges or status as an Authorized User;

(iii) is obligated to submit a notice to EX under Rule 3.6(h); or

(iv) violates any agreement with EX, any Rule or any provision of Applicable Law.

(g) Futures commission merchants or other brokers or intermediaries shall not be permitted to submit trades in Contracts for execution on the Exchange on behalf of customers or to submit or clear trades in Contracts through the Clearinghouse on behalf of customers. Only Participants and Authorized Users authorized to execute trades in Contracts on behalf of Participants may submit Orders for transactions in Contracts, and only subject to the conditions and requirements set forth in the Rules.

3.2. Participant Applications

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

(b) Each applicant to become a Participant shall:

(i) submit to EX executed forms of the Participant Agreement and all application documents; and

(ii) agree in written or electronic form to abide by these Rules and Applicable Law.

(c) Upon EX's approval of an applicant's Participant application and upon EX's confirmation that the initial fee payable by the applicant has been paid to EX, the applicant shall become a Participant and obtain Trading Privileges and Clearing Privileges.

(d) If EX denies an applicant's Participant application, the applicant may appeal the decision by filing with the Compliance Department a petition for review of such application denial or trading limitation. The petition should describe in detail the reasons why the application should be granted. The petition must be filed within thirty (30) Business Days from the date upon which notice of the denial of the applicant's Participant application was provided by EX. The decision of the Compliance Department will be final. An applicant whose Participant application has been denied by the Compliance Department will not be eligible for reapplication during the six months immediately following such denial.

3.3. Participant Accounts

(a) The Clearinghouse will establish an account on its books and records in the name and on behalf of the Participant and may, upon the instruction of the Participant and subject to the consent of EX, establish multiple accounts in the name and on behalf of the Participant (each such Account and all such Accounts collectively referred to herein as the "**Account**"). The Participant will be responsible for all Orders, transactions and other activity in or through its Account and for all amounts due with respect to any such Orders, transactions or other activity, including but not limited to required amounts of margin and premiums. Each Participant and its Authorized Users shall have the right to access the EX System, including the right to place Orders for each of such Participant's Account(s).

(b) In the event that EX determines that Participants may be permitted to maintain more than one Account, as described in 3.3(a), each Participant shall designate each of its Authorized Users to trade any or all of its Accounts, provided that a Participant shall at all times be responsible for all of its Accounts as set forth under these Rules and provided further that EX may treat all of a Participant's Accounts as a single Account for purposes of determining the Participant's compliance with the Rules and the Participant's obligations to EX.

(c) By virtue of obtaining Trading Privileges, a Participant shall not obtain any equity or other interest in EX, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger, consolidation involving EX or otherwise.

3.4. Authorized Users

(a) Each Participant that is an Entity shall be required to appoint one or more individuals to act as its Authorized User or Authorized Users, as applicable. Participants that are natural persons may act as their own Authorized User or may appoint a third party as his or her Authorized User, pursuant to a power of attorney or other instrument, in a form prescribed or

approved by EX, providing such third party with discretionary or non-discretionary trading authority with respect to the Participant's Account. The third party to which an individual Participant grants trading authority may be a related person of the Participant, or an unaffiliated party.

(b) Each Authorized User with discretionary trading authority with respect to the Participant's Account (i) must be a natural person, (ii) may have Trading Privileges with respect to the Accounts of more than one Participant, provided that such Authorized User uses separate User IDs for each such Account, (iii) must allocate Contracts executed for such multiple accounts in a fair and equitable manner so that no Account or group of accounts consistently receives favorable or unfavorable treatment over time, and (iv) must satisfy any other requirements as may be prescribed by EX from time to time.

(c) Without limiting the foregoing, each Authorized User must consent, in a form satisfactory to EX, to abide by the Rules and Applicable Law prior to accessing the EX System, and each Participant will ensure on an ongoing basis that (i) none of its Authorized Users is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto), (ii) each of its Authorized Users will be technically proficient, (iii) each of its Authorized Users will conduct its business in a fair and equitable manner, and (iv) each of its Authorized Users will conduct its business in accordance with the Rules.

(d) EX may withdraw or suspend the registration of any Authorized User if EX determines that:

(i) an Authorized User has failed, or has caused the Participant to fail, to comply with the Rules of EX;

(ii) an Authorized User is not properly performing the responsibilities of an authorized representative of a Participant;

(iii) an Authorized User has failed to comply with the conditions set forth in paragraph (c) of this Rule; or

(iv) it is in the best interests of maintaining a fair and orderly market to do so.

(e) If the Participant withdraws or EX suspends the registration of any Authorized User, the Participant must ensure that such Authorized User does not submit any quotes or Orders into the EX System.

(f) The registration of an Authorized User will be withdrawn upon the written request of either the Authorized User or the Participant for which an Authorized User is registered. Such written request shall be submitted in a manner prescribed by EX. Until such written request is received and processed by EX, or an Authorized User's registration is suspended or withdrawn pursuant to paragraph (d) of this Rule, a Participant will be responsible for all activity of such Authorized User(s) related to EX.

3.5. Amounts Payable by Participants

(a) EX shall have the sole authority to establish the amounts of any fees to be paid by Participants, and the timing of payment of such fees, and such fees shall be paid when due. In addition, EX shall have the sole authority to impose minimum withdrawal amounts, fees for inactivity or other fees as it deems appropriate. EX may post an updated fee schedule on its website from time to time. Participants are deemed to have notice of any changes made to such fee schedule that are posted on the EX website.

(b) Unless EX, at its discretion, elects not to do so in any instance, EX will withdraw the relevant fees directly from each Participant's Account. The Participant agrees to pay, and authorizes EX to withdraw from its Account: (a) any fees or charges associated with any transactions executed or cleared on EX for its Account at such rate as is posted on EX's website; (b) any costs or expenses incurred by EX in connection with its Account, including, but not limited to, any non-sufficient funds charges or charges imposed by EX's settlement bank; (c) any other charges agreed upon between the Participant and EX; and (d) any other fines or penalties that may be imposed by EX from time to time.

(c) If a Participant fails to pay when due any EX fees or other amounts due by such Participant, and such payment obligation remains unsatisfied for thirty (30) Business Days after its due date, EX as it deems necessary or appropriate, may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges and/or Clearing Privileges of such Participant and its Authorized Users. Moreover, EX may submit any amounts owed by a Participant in excess of thirty (30) Business Days to a third-party collection agency. EX reserves the right to pursue any and all allowable legal action, whether criminal or civil, against the Participant to recover losses incurred as the result of fraud or misconduct, including attorney's fees and other legal expenses, and any other remedies permitted by law.

3.6. Participant Obligations

(a) By accessing, or entering any Order into, the EX System, and without any need for any further action, undertaking or agreement, a Participant and its Authorized Users agree (i) to be bound by, and comply with, the Rules and Applicable Law, and (ii) to submit to the jurisdiction of EX with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant and its Authorized Users. Any Participant and its Authorized Users whose Trading Privileges and/or Clearing Privileges are revoked or terminated shall remain bound by the Rules and Applicable Law and subject to the jurisdiction of EX with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant and its Authorized Users prior to such revocation or termination.

(b) Each Participant shall be required to satisfy such minimum financial requirements as may be established from time to time by the Exchange or the Clearinghouse.

(c) All Participant communications with EX, including keystrokes entered by the Participant on EX, emails and telephone calls, may be recorded without further notice, and such recordings may be provided to regulatory authorities (subject to and in compliance with

Applicable Laws) and used as evidence in the event of any dispute. Such recordings will be and remain the sole property of EX and will, in the absence of manifest error, be accepted by the Participant as evidence of the communications so recorded. The period of retention of such recordings shall be as required by Applicable Law or any such longer period as may be determined by EX in its sole discretion. Further, such recordings may be used for EX's own purposes (including, without limitation, for purposes of monitoring levels of activities in categories of transactions) and not for the Participant's benefit.

(d) Each Participant and any Authorized User(s) thereof must also cooperate promptly and fully with EX, its agents, and/or the CFTC in any investigation, call for information, inquiry, audit, examination, or proceeding. Such cooperation shall include providing EX with access to information on the activities of such Participant and/or Authorized User in any referenced or related market that provides the underlying prices for any EX Contract or that is otherwise related to the pricing or trading of any Contract.

(e) Each Participant consents to allow EX to provide all information EX has in its possession or control regarding the Participant, including the Participant's trading activity, to the CFTC or any other regulatory agency, law enforcement authority, or judicial tribunal, including (as may be required by information sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals.

(f) The Rulebook, all amendments thereto and notices and policies thereunder, as well as the specifications for the Contracts from time to time traded and cleared on EX, will be publicly available on the EX website. Each Participant and each Participant's Authorized Users(s) will be automatically bound by any notices, interpretations, guidance, Rule changes or other material posted by EX on its website, without any further action by the Participant or Authorized User(s). Each Participant and Authorized User is required to review the "Notices" section of the EX website to make itself aware of material changes to these Rules or other notices that may affect your rights and obligations as a Participant of EX. As mentioned above, EX shall publish a notice with respect to each addition to, modification of, or clarification of, the Rules, any action to implement any Rules, or any notices, interpretations or guidance, in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such material, prior to the effective date thereof; *provided* that any failure of EX to so publish a notice shall not affect the effectiveness of the material in question. For purposes of publication in accordance with the first sentence of this Rule 3.6, it shall be sufficient (without limiting the discretion of EX as to any other reasonable means of communication) if a notice is published on EX's website.

(g) Each Participant must provide EX with the current electronic mail address for each of its Authorized Users and immediately (and in any event within 24 hours) update each such address whenever it changes. All communications between EX and the Participant (and its Authorized Users) will be transmitted by email and/or posted on the EX website.

(h) Each Participant must immediately notify EX in writing upon becoming aware:

(i) that the Participant, any of the Participant's officers, employees or any of the Participant's Authorized Users has had access or trading privileges or clearing privileges suspended, or participant status is denied, in any commodity, futures, securities, or swaps exchange, or any other trading platform or regulatory self-regulatory agency;

(ii) that the Participant, any of the Participant's officers, employees or Authorized Users has been convicted of, pled guilty or no contest to, or entered a plea agreement to, any felony in any domestic, foreign or military court;

(iii) that the Participant, any of the Participant's officers, employees or Authorized Users has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign, or military court which involves:

(1) embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, tax evasion, counterfeiting, false pretenses, bribery, gambling, racketeering, or misappropriation of funds, securities, or properties; or

(2) any transaction in or advice concerning swaps, futures, options on futures, leveraged transactions or securities;

(iv) that the Participant, any of the Participant's officers, employees or Authorized Users has been subject to, or associated with a firm that was subject to regulatory proceedings before any governmental or regulatory agency;

(v) that the Participant, any of the Participant's officers, employees or Authorized Users is currently a party to any investigation or proceeding, the resolution of which could result in an event described in Rule 3.6(h)(i)-(iv);

(vi) of any other material change in any information contained in the Participant's application to become a Participant on EX;

(vii) of becoming subject to early warning reporting under CFTC Regulation 1.12;

(viii) of becoming the subject of a bankruptcy petition, receivership proceeding, or the equivalent, or being unable to meet any financial obligation as it becomes due; or

(ix) of information that concerns any financial or business developments that may materially affect the Participant's ability to continue to comply with any of the requirements to be a Participant.

Upon the receipt of such notice, EX may take any action it determines to be appropriate, in its sole discretion with respect to such Participant, including but not limited to the revocation of such Participant's Trading Privileges and/or Clearing Privileges.

(i) Each Participant must diligently supervise all activities of the Participant's employees and/or agents, including all Authorized Users, relating to transactions effected on EX.

Any violation of these Rules by any employee of a Participant may constitute a violation of the Rules by such Participant.

(j) A Participant is not required to engage in trading activity or maintain a minimum balance in its account after initial funding, subject, however to a Participant obligation to have sufficient funds on deposit to clear its transactions in Contracts as provided in the Rules in Chapter 5. Notwithstanding the foregoing, EX has the authority to impose minimum withdrawal amounts or fees for inactivity, which will, if imposed, be posted on the EX website from time to time.

3.7. Responsible Agents

(a) Each Participant that is an Entity shall at all times have at least one employee or agent (each, a “**Responsible Agent**”) designated as its administrator with respect to the use of the EX System by the Authorized Users of such Participant. Each Participant that is a natural person shall serve as its own Responsible Agent. EX may prescribe such qualification standards for Responsible Agents of Participants that are entities as it may from time to time determine necessary or advisable. Among other things, each Responsible Agent shall (i) have full control over access to the EX System by the Participant (including its Authorized Users) represented by such Responsible Agent and (ii) be able to access, and, if required, modify and withdraw, any and all Orders placed, or purported to be placed, by the Authorized Users of such Participant. The Responsible Agent(s) of any Participant shall also be solely responsible for any and all communications between EX and such Participant, and any and all notices or other communications sent to such Responsible Agent(s) by EX shall be binding on such Participant. Each Participant shall notify EX promptly of any change regarding any of its Responsible Agents.

(b) Each Participant shall (i) be solely responsible for controlling and monitoring the use of all User IDs and passwords to access the EX System (issued to its Authorized Users and Responsible Agent(s) by EX, (i) provide such User IDs and passwords only to its Authorized Users and Responsible Agent(s), and (iii) shall notify EX promptly upon becoming aware of any unauthorized disclosure or use of the User IDs or passwords or access to EX or of any other reason for deactivating User IDs or passwords. Each Participant, on behalf of itself and its Authorized Users, shall be bound by any actions taken by use of its User IDs and passwords, other than any such actions resulting from the fault or negligence of EX, including the execution of transactions, whether or not such actions were authorized by such Participant.

(c) Notwithstanding anything to the contrary in Rule 3.7(b), each Authorized User shall have his or her own unique User IDs and passwords that may be used only by such Authorized User and solely for the purpose of submitting Orders in respect of the Account for which the Authorized User has Trading Privileges.

3.8. Incentive Programs

EX may from time to time adopt one or more programs under which one or more Participants or Authorized Users may be designated as an Incentive Program Participant with respect to one or more Contracts and may be granted certain benefits. Any such program may provide for any or all of the following:

- (a) qualifications, including any minimum net capital requirements, that any such Incentive Program Participant must satisfy;
- (b) the procedure by which Participants or Authorized Users may seek and receive designation as an Incentive Program Participant;
- (c) the obligations of such Incentive Program Participant; and
- (d) the benefits accruing to such Incentive Program Participant, including priority in the execution of transactions effected by Participants or Authorized Users in their capacity as Incentive Program Participants, reduced transaction fees or the receipt of compensatory payments from EX.

3.9. Limitation of Liability

EXCEPT AS OTHERWISE PROVIDED IN THESE RULES, AND EXCEPT IN INSTANCES WHERE THERE HAS BEEN A FINDING OF WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 3.9, NEITHER THE EXCHANGE, THE CLEARINGHOUSE, THEIR AFFILIATES OR ANY CONTRACTORS OR SUB-CONTRACTORS PROVIDING SERVICES TO EX, NOR ANY OF THEIR RESPECTIVE MANAGERS, DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES OR AGENTS, SHALL BE LIABLE TO ANY OTHER PERSON, INCLUDING ANY PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USERS), FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES), ARISING FROM (A) ANY FAILURE OR MALFUNCTION OF THE EX SYSTEM OR ANY EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR FACILITIES USED TO SUPPORT THE EX SYSTEM, OR (B) ANY FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY OR TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE EX SYSTEM OR ANY EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR FACILITIES USED TO SUPPORT THE EX SYSTEM. THE FOREGOING SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE. FURTHERMORE, THERE SHALL BE NO LIABILITY BASED UPON, OR IN CONNECTION WITH, ANY QUOTE OR OTHER INFORMATION IF NO CORRELATIVE PURCHASE OR SALE OF A CONTRACT IS MADE, AND IF A CORRELATIVE PURCHASE OR SALE OF A CONTRACT IS MADE, ANY LIABILITY SHALL BE LIMITED IN AMOUNT TO THE AGGREGATE PRICE OF THE CONTRACTS PURCHASED OR SOLD.

THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE EXCHANGE OR CLEARINGHOUSE, NOR BY THEIR AFFILIATES OR ANY CONTRACTORS OR SUBCONTRACTORS PROVIDING SERVICES TO EX, RELATING TO THE EX SYSTEM OR ANY EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR FACILITIES USED TO SUPPORT THE EX SYSTEM,

INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THE SERVICES OF THE EXCHANGE AND THE CLEARINGHOUSE ARE BEING PROVIDED ON AN "AS IS" BASIS AT THE SOLE RISK OF THE PARTICIPANT AND ANY PERSON ASSOCIATED WITH THE PARTICIPANT (INCLUDING ANY AUTHORIZED USER). NEITHER THE EXCHANGE, THE CLEARINGHOUSE, ANY OF THEIR AFFILIATES OR ANY CONTRACTORS OR SUB-CONTRACTORS PROVIDING SERVICES TO EX, NOR ANY OF THEIR RESPECTIVE MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, MAKE ANY WARRANTY WITH RESPECT TO, AND NO SUCH PARTY SHALL HAVE ANY LIABILITY TO ANY PARTICIPANT OR ANY PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER) FOR, THE ACCURACY, TIMELINESS, COMPLETENESS, RELIABILITY, PERFORMANCE OR CONTINUED AVAILABILITY OF THE EX SYSTEM OR THE EXCHANGE OR THE CLEARINGHOUSE, DELAYS, OMISSIONS OR INTERRUPTIONS IN EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR THE CREDITWORTHINESS OF ANY OTHER PARTICIPANT OR ANY PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER). THE EXCHANGE AND CLEARINGHOUSE SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE EX SYSTEM OR OTHERWISE. EACH PARTICIPANT AND EACH PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER) ACKNOWLEDGES AND AGREES THAT THE EXCHANGE, THE CLEARINGHOUSE, THEIR AFFILIATES AND ANY CONTRACTORS OR SUB-CONTRACTORS PROVIDING SERVICES TO EX DOES NOT AND SHALL NOT SERVE AS THE PRIMARY BASIS FOR ANY DECISIONS MADE BY SUCH PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER), AS THE CASE MAY BE, AND IS NOT AN ADVISOR OR FIDUCIARY OF SUCH PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER), AS THE CASE MAY BE.

EXCEPT AS OTHERWISE PROVIDED IN THESE RULES, ANY LIABILITY OF THE EXCHANGE OR CLEARINGHOUSE (OTHER THAN LIABILITY THAT IS EXCLUDED PURSUANT TO THE PRECEDING TWO PARAGRAPHS OF THIS RULE 3.9) WILL BE LIMITED TO DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE ACTS OR OMISSIONS OF THE EXCHANGE OR CLEARINGHOUSE OR THEIR MANAGERS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES OR AGENTS; PROVIDED THAT THE TOTAL COMBINED AGGREGATE LIABILITY OF THE EXCHANGE AND ITS MANAGERS, OFFICERS, EMPLOYEES OR AGENTS TO ANY ONE PARTICIPANT SHALL NOT, TAKEN TOGETHER WITH ANY LIABILITY OF THE CLEARINGHOUSE TO SUCH PARTICIPANT RESULTING FROM THE ACTS OR OMISSIONS OF THE CLEARINGHOUSE OR ITS MANAGERS, OFFICERS, EMPLOYEES OR AGENTS, EXCEED \$2,500 FOR ALL LOSSES FROM ALL CAUSES SUFFERED ON A SINGLE CALENDAR DAY; \$5,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$50,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR YEAR.

ANY DISPUTE ARISING OUT OF THE USE OF THE EX SYSTEM OR EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR FACILITIES USED TO SUPPORT THE EX SYSTEM IN WHICH THE EXCHANGE OR CLEARINGHOUSE OR ANY

OF THEIR RESPECTIVE MANAGERS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES OR AGENTS IS A PARTY SHALL BE RESOLVED AND SETTLED BY ARBITRATION THROUGH THE NFA. THE ARBITRATION WILL BE CONDUCTED IN NEW YORK, NEW YORK, BY AN ARBITRATOR OPERATING IN ACCORDANCE WITH THE PROVISIONS OF THE NFA'S CODE OF ARBITRATION AND MEMBER ARBITRATION RULES IN EFFECT AT THE TIME OF FILING OF THE CLAIM FOR ARBITRATION. THE ARBITRATOR SHALL HAVE THE AUTHORITY TO AWARD ANY REMEDY OR RELIEF THAT A COURT OF COMPETENT JURISDICTION COULD ORDER OR GRANT, INCLUDING THE ISSUANCE OF AN INJUNCTION. THE FEES AND EXPENSES OF SUCH ARBITRATION SHALL BE BORNE BY THE NON-PREVAILING PARTY, AS DETERMINED BY SUCH ARBITRATION. THIS PROVISION SHALL IN NO WAY CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE ANY ACTION THAT WOULD OTHERWISE BE PROHIBITED BY RULES OF EX.

ANY PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER) WHO FAILS TO PREVAIL IN A LAWSUIT OR OTHER LEGAL PROCEEDING INSTITUTED BY SUCH PERSON AGAINST THE EXCHANGE OR CLEARINGHOUSE OR ANY OF ITS MANAGERS, COMMITTEE MEMBERS, OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS, AND RELATED TO THE BUSINESS OF THE EXCHANGE OR CLEARINGHOUSE, WILL PAY TO THE EXCHANGE AND/OR CLEARINGHOUSE ALL REASONABLE EXPENSES, INCLUDING ATTORNEYS' FEES, INCURRED BY EX IN THE DEFENSE OF SUCH PROCEEDING TO THE EXTENT THAT SUCH EXPENSES EXCEED FIFTY THOUSAND USDs \$50,000.00. THIS PROVISION WILL NOT APPLY TO DISCIPLINARY ACTIONS BY THE EXCHANGE, ADMINISTRATIVE APPEALS OF EX ACTIONS OR IN ANY SPECIFIC INSTANCE WHERE THE BOARD OF MANAGERS HAS GRANTED A WAIVER OF THIS PROVISION.

NOTWITHSTANDING ANY OF THE FOREGOING PROVISIONS, THIS RULE 3.9 SHALL IN NO WAY LIMIT THE LIABILITY OF ANY PERSON ARISING FROM ANY VIOLATION OF SUCH PERSON OF THE CEA OR CFTC REGULATIONS THEREUNDER.

CHAPTER 4 TRADING PLATFORM AND METHODOLOGY

4.1. Contracts Traded and Cleared on EX

The Exchange and the Clearinghouse shall determine which Contracts are available for trading and clearing subject to the Rules from time to time and approve rules containing the specifications for such Contracts, *provided* that certifications or applications with respect to such Contracts shall be submitted to the CFTC as required by the CEA and CFTC Regulations.

4.2. Participants and Authorized User Access

(a) During the Participant application process, an applicant, to become a Participant, will be required to register a user identification (“**User ID**”) and password.

(b) The Participant will be required to enter the User ID and password to log onto and access secure portions of the EX website, including the Exchange’s EX System. Each time the Participant submits its unique User ID and password to log onto the EX System, the Participant affirms that it understands, and agrees to be bound by, these Rules and other policies and procedures of EX, as amended.

(c) Each Authorized User shall maintain a unique User ID and password, distinct from the User ID and password of the Participant but identified as related to the Participant with which the Authorized User is associated. The Participant will only provide the User IDs to its employees or agents who are designated as, and authorized as, Authorized Users. EX reserves the right to revoke or modify a User ID at any time without prior notice.

(d) The Participant will be responsible for protecting its User IDs and passwords, and with respect to itself, the ID(s) and password(s) of its Authorized User(s), from improper disclosure. In addition, a Participant may not knowingly or negligently permit any Person not authorized by EX and by the Participant to use the User ID and password to access the secure portion of the EX website, including the EX System. The Participant is required to immediately notify EX if it knows, or has reason to believe, that its User ID or the User ID and/or password of any Authorized User have been disclosed to any Person not authorized by EX and the Participant to use such User ID and/or password.

(e) The Participant authorizes EX to rely upon any instruction received through use of its User IDs without further inquiry, and EX shall not be liable to the Participant for any actions taken based on instructions received through such User IDs, even if such instructions were not authorized by the Participant. The Participant will be liable for any and all costs, expenses, losses or other amounts that may result from actions taken, including transactions executed on EX, by any person, authorized or not, using its User ID and password or the ID and/or password of any Authorized User. EX will not be responsible in any way for unauthorized transactions in a Participant’s account.

(f) The Participant is responsible for contracting with an internet service provider through which it will access the EX website and for having a backup service provider if reasonably necessary. The Participant is also responsible for maintaining an internet connection

speed adequate for its needs. EX will not be responsible in any way for any Orders delayed or trades missed or not executed in a timely fashion because of failure of the Participant's internet service provider or slowness of its internet connection speed. No communication from a Participant will be deemed to have been received by EX until that communication is logged by the EX System at a point of connection designated to receive and log such communication.

4.3. Orders

(a) The Authorized Users of each Participant shall enter Orders for Contracts by electronic transmission and shall include all information required by the EX System. Each Participant shall be responsible for any and all Orders in each of its Accounts to be entered by any of its Authorized Users.

(b) EX may use Order rate limiter functionality to cap the maximum number of Orders that may be submitted to the Exchange per second (or per a specific time period expressed in seconds) per Participant or Authorized User of a Participant, in order to prevent a risk of harm to the Exchange. Similarly, EX may limit the number of messages submitted by a Participant or Authorized User of a Participant to the Exchange for the same purpose.

(c) Any Participant submitting Orders (directly or through an Authorized User), or any other messages to the Exchange, including but not limited to messages related to the cancellation or amendment of an Order, whether manually or via automated functionality, must ensure adequate controls are in place to prevent excessive messaging or other activity that may be deemed detrimental or disruptive to the Exchange.

(d) Participants and their Authorized Representatives must ensure that all Orders, upon being Match Eligible, will comply with Rule 5.1(a). EX may, in its discretion, impose penalties and take such other action against a Participant if the circumstances warrant should the Participant violate this Rule 4.3(d).

(e) The EX System will maintain an electronic record of all Orders to trade Contracts, and all executed Contracts.

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

(g) Each Participant, Authorized User, or other Person receiving any such information through the EX System is expressly prohibited from redistributing such information unless expressly permitted by the Exchange. Employees and agents of the Exchange shall have access to the offices of any Participant and each of its Authorized Users during regular business hours in order to observe the compliance by such Participant and its Authorized Users with the immediately preceding sentence.

(h) The Clearinghouse, on behalf of the Exchange shall comply with the requirements of paragraphs (a) through (h) of [CFTC Regulation 17.00](#) as they apply to trading in

any Contracts that qualify as “exclusively self-cleared contracts” within the meaning of [CFTC Regulation 15.00](#).

(i) The Clearinghouse may establish a maximum Order size for each Account of each Participant based upon the Participant’s available funds, the Participant’s trading behavior, and any other factors that the Exchange deems relevant. As provided in Rule 5.1(c), the EX System will not accept an Order for a Participant’s Account if Account does not have the necessary funds and/or collateral for the Order.

(j) Any Order that has been entered into the EX System may be cancelled unless and until it has been executed or has otherwise expired. The EX System will attempt to cancel an existing Order as soon as possible after a Participant enters a cancellation instruction, however, if an Order has been filled in whole or in part, a Participant may cancel only that portion of the Order that has not been executed.

(k) As a CFTC-registered entity (as defined in the CEA), the Exchange has the authority to adjust trade prices or cancel transactions when necessary to mitigate market disrupting events caused by malfunctions in its electronic trading platform(s) or errors in Orders submitted by Participants, and the Exchange will utilize this authority when, in its sole discretion, it deems such action necessary or appropriate.

4.4. Execution and Confirmation Process

Orders to buy or sell any Contract are subject to any margin or settlement requirements as imposed from time to time by the Clearinghouse. All Orders are matched with each other and executed electronically through the Exchange’s EX System in accordance with an algorithm that gives first priority to Orders at the best price and priority among Orders entered at the same price based on their time of entry into the EX System, with the Order first entered receiving first priority. Without limiting the generality of the foregoing, the algorithm to match Orders entered in the EX System is based upon the following principles:

(a) An Order at a better price will always have priority over Orders at inferior prices. As among Orders at the same price, an Order with time priority will be executed before Orders that have been entered after the Order with time priority.

(b) Time priority will be assigned to the first Order at a price that betters the best price prevailing when the Order is received. Only one buy Order and one sell Order can have time priority at any given time. Orders with time priority will be matched first regardless of their respective sizes.

(c) An Order will not lose time priority with respect to Orders at the same price if and when an Order at a better price is entered, but it will lose price priority.

(d) Once an Order with time priority has been filled, the algorithm described herein will be applied to the remaining Orders at the same price. Thus, the Order received immediately after the Order that initially had time priority will be assigned time priority and be the next Order to be executed at such price.

Notwithstanding anything in these Rules to the contrary, the Exchange may at any time use a different matching algorithm for a particular Contract by giving notice of such algorithm to all Participants at least ten (10) Trading Days before such algorithm is implemented.

4.5. Permitted Order Types

(a) All Orders must be entered and executed on the EX System central limit order book.

(b) Limit Orders are added to the EX System's central limit order book on a time-in-force basis supported by the EX System. Such orders are matched whenever opposing Orders are available in the EX System central limit order book, with any unmatched balance remaining until such balance is matched or is cancelled.

(c) Market-Limit Orders are orders to buy or sell a stated amount of a contract that is to be executed at the time the order reaches the Exchange. A Market-Limit Order will be canceled if, upon receipt by the System, it cannot be executed by the Exchange. If the Market-Limit Order can only be partially filled, the order becomes a Limit Order, and the remaining quantity remains on the central limit order book at the fill price.

4.6. Trade Confirmations

A printable record of all of the terms of each trade entered into on the Exchange or pursuant to the Rules will be available on the EX System interface on the Participant's activity page immediately upon execution. Such record shall legally supersede any previous agreement and serve as a confirmation of each such trade. The EX System may send confirmation messages to Members upon execution of a trade via an application programming interface, email client, mobile application, or website such message to include the contract type, quantity, and execution time for each matched trade.

4.7. Errors

(a) Upon receipt of an error notification, either internally generated or from a Participant, the Exchange shall review its electronic audit trail to determine, in its sole discretion, if the EX System incorrectly rejected or processed an Order not later than:

(i) the same Business Day if the request was received prior to 12:00 Noon on a Business Day.

(ii) the end of the following Business Day if such request was received after 12:00 Noon on a Business Day or on any day that is not a Business Day.

(b) Any determination by the Exchange that an Order was incorrectly rejected or processed absolutely and solely at EX's discretion and such determinations are final.

(c) If the review reveals that the Order was correctly processed by the Exchange, then the Exchange in its sole discretion may resolve the Participant's review request as follows:

(i) If the system behavior is due to any fault of the Participant or the Authorized User, make no adjustments.

(ii) if the system behavior could not reasonably be anticipated or is due to no fault by the Participant or the Authorized User, the Exchange may make a monetary adjustment from its own funds that represents a fair and equitable resolution of the Order's handling, provided that any such adjustment is in its sole and absolute discretion the Exchange, which shall have no obligation to do so.

(iii) No adjustments to another Participants' positions shall be undertaken.

(d) If the review reveals that the Order was incorrectly handled by the Exchange, then the Exchange in its sole and absolute discretion may resolve the Participant's error by:

(i) cancelling such trade in the Accounts of all directly affected Participants.

(ii) making a monetary adjustment from its own funds that represents a fair and equitable resolution of the Order's handling, provided that any such adjustment is in its sole and absolute discretion the Exchange, which shall have no obligation to do so.

4.8. Position Limits and Position Accountability

(a) Position Limits

(i) Position limits may be established by the Exchange from time to time for any Contract. For any Contract that is also subject to position limits imposed under CFTC Part 150 Regulations, the Exchange's position limits will be no higher (and may be lower) than those imposed by the CFTC.

(ii) The maximum position will be set forth in the Contract Rules of any Contract with such limits.

(iii) No Person shall enter into any transaction on the Exchange that would cause such Person to hold or control a position that exceeds any applicable position limit imposed by the Exchange or CFTC, except that:

(A) Upon application from a Participant, for hedging or (for a Contract that is not also subject to CFTC position limits) other good cause shown, the Exchange in its sole discretion may exempt the Participant from limit on temporary or permanent basis.

(B) Any exemption may include new limits.

(C) The Exchange shall have the authority to review and rescind any exemption.

(iv) For purposes of this Rule 4.8(a), the Exchange will aggregate the Accounts for all Participants as provided by [CFTC Regulation 150.4](#). Upon application from a Participant, the Exchange in its sole discretion may grant relief from aggregation under any of the exemptions provided in [CFTC Regulation 150.4\(b\)](#).

(b) Position Accountability

(i) The Exchange may, at any time, require a Participant and its Authorized Users who own or control positions in contracts traded on the Exchange to provide information relating to the nature and size of such person's position; the trading strategy employed with respect to the position; information supporting a determination of the hedging nature of the position; and such other position information as may be requested.

(ii) The Exchange may order the reduction of any such position of a Participant who fails to provide the information as directed, or in its discretion, order that a position above the position accountability threshold not be increased.

4.9. Public Data

The Exchange will post on its website the pricing, current volume and open interest for all active Contracts on each Trading Day. The Exchange will also post on its website any other information as required by [CFTC Regulation 16.01](#).

CHAPTER 5 CLEARING

5.1. Submission and Acceptance of Trades for Clearing

(a) Participants are required to have sufficient funds on deposit in its Account with the Clearinghouse such that the Account will contain the required collateral for any matched Orders upon acceptance by the Clearinghouse.

(b) To facilitate compliance with this Rule the Exchange, in its sole discretion and from its own funds, may advance funds for immediate use to a Participant's Account provided that it shall have no obligation to do so and provided further that:

(i) Such advance is administrative in nature due to the normal course timing of banking transactions and is not a loan.

(ii) Such Participant has submitted a bona-fide funds deposit request.

(iii) Such funds deposit request is being processed in the normal course of banking transactions by the Clearinghouse.

(iv) Such advanced amount shall not exceed the lesser of the funds deposit request or US\$1,000.

(c) Upon each Order becoming Match Eligible, the EX System will conduct a pre-trade check of the Participant's Account to ensure that the Participant has sufficient funds to meet Rule 5.1(a). If the Participant's Account does not have the necessary funds and/or collateral for the Order, the EX System will cancel the Order prior to match.

(d) Upon the successful matching of Orders, the Clearinghouse shall immediately, through the process of Novation, be substituted as and assume the position of Seller and Purchaser. Upon such substitution, the Seller and Purchaser shall have no obligations to each other, and such Participants shall be deemed to have bought the Contract from or sold the Contract to the Clearinghouse, as the case may be, and the Clearinghouse shall have all the rights and be subject to all the liabilities of such Participants with respect to such transactions. Such substitution shall be effective in law for all purposes. The Participants of the Contract are deemed to consent to the Novation by entering the applicable Orders on the EX System.

(e) Contracts with the same terms and conditions submitted to the Clearinghouse for clearing are economically equivalent within the Clearinghouse and may be offset with each other within the Clearinghouse.

(f) Upon acceptance of a transaction in a Contract by the Clearinghouse for clearing:

(i) The original transaction is extinguished;

(ii) The original Contract is replaced by an equal and opposite Contract between the Clearinghouse and each Participant;

(iii) All terms of a cleared Contract must conform to the Contract specifications; and

(iv) The Clearinghouse is irrevocably authorized to transfer premiums and/or Settlement Amounts to the appropriate Participants in accordance with the applicable Contract Specifications and this Rulebook.

(g) All payments to Participants and collections from Participants in connection with the clearing and settlement of Contracts are irrevocable and any and all amounts paid to the Clearinghouse in satisfaction of the obligations of Participants in connection with Contracts are unconditionally deposited with the Clearinghouse and exclusively within the control of the Clearinghouse.

(h) If a Contract is rejected for clearing by the Clearinghouse for any reason, such Contract is void ab initio.

5.2. Procedures for Deposits and Withdrawals from Accounts

(a) Procedures for Deposits

(i) A Participant must submit a deposit notification through the EX System before the Participant may deposit funds with the Clearinghouse. A Participant must deposit funds on the same day as the Participant submits a deposit notification to the Clearinghouse. Only USD will be accepted in satisfaction of Participants' obligations in connection with Contracts executed on the Exchange and cleared through the Clearinghouse.

(ii) Deposits occur, and funds are available for use with respect to Trading Privileges and Clearing Privileges, no later than the next Settlement Bank Business Day after a Participant submits a deposit notification and deposits funds with EX in accordance with this Rule 5.2(a), unless EX has made an advance pursuant to Rule 5.1(b).

(iii) Participants are responsible for all transfers of funds to their Accounts.

(b) Withdrawals from Accounts

(i) Participants may only withdraw amounts in excess of Original Margin amounts required to be on deposit in connection with open Contracts.

(ii) Only a Participant or its Authorized User(s) may submit a withdrawal notification through the EX System.

(iii) Upon receipt of a withdrawal notification, such funds are immediately deducted from a Participant's Account.

(iv) Participants are responsible for providing accurate banking information. Withdrawn funds must be returned to a depositing bank account, except as permitted by EX in its sole discretion.

(v) Withdrawals occur, and funds are available, no later than three (3) Settlement Bank Business Days after a Participant has submitted a withdrawal notification if the Participant submits a withdrawal notification during Trading Hours.

(vi) If a Participant fails to adhere to the withdrawal procedures set forth herein, as applicable, EX will take reasonable measures to effect the withdrawal; however, if EX is unable to effect the withdrawal, the Participant's collateral may become the sole property of EX, to the extent permitted by Applicable Law and pursuant to the procedures and disclosures posted on the EX website. EX may apply the collateral against the Participant's obligations.

5.3. Settlement of Contracts

(a) The Clearinghouse shall maintain, on its system, a record of each Participant's account balances and Contracts.

(b) Upon a Contract's Expiration, EX will notify all Participants of the Final Settlement Amount and close such Open Contract positions.

(c) After the notice period on the last Trading Day of expiring Contracts that are options, the Clearinghouse will delete all such Contracts that have not been exercised from each Participant's Account.

5.4. Investment and Use of Clearing Participant Account Assets

Subject to compliance with the applicable regulations of the CFTC, all cash and other property in the Participant's Account or otherwise held by EX on the Participant's behalf may, from time to time, without notice to the Participant, be co-mingled with the property of other Participants or be invested by EX, separately or with any other property, consistent with CFTC Regulations 1.25 and 39.15(e). EX shall have no obligation to inform the Participant of any such investments or of the results or performance of such investments and shall be entitled to retain any profits from or return on such investments.

5.5. Transfer of Positions

Upon application of a Participant, the Clearinghouse may, in its sole discretion, transfer positions in Contracts between Accounts to:

(a) correct errors in an existing position, provided that the original trade documentation confirms the error;

(b) transfer an existing position from one Account to another of the same Participant where no change in ownership is involved or between Accounts of Participants that are under the same common beneficial ownership;

(c) transfer an existing position through operation of law from death or bankruptcy;

(d) as a result of a merger, asset purchase, consolidation, or similar non-recurring transaction for a Person that is an organization;

(e) transfer an existing position under other circumstances as permitted by Applicable Law.

Any positions transferred pursuant to this Rule 5.5 will be at the original price and date that appears on the books of the Clearinghouse.

CHAPTER 6 PARTICIPANT CONDUCT

6.1. Prohibited Activities

(a) No Participant or Authorized User shall engage in conduct in violation of Applicable Law or the Rules. Notwithstanding anything to the contrary in these Rules, no provision of these Rules will supersede any applicable prohibitions on fraud and manipulation, whether such prohibitions are prescribed by Applicable Law or the Rules. All such prohibitions on fraud and manipulation, including, but not limited to, the antifraud provisions of the CEA and the antifraud rules promulgated by the CFTC thereunder, will remain in full force and effect with respect to, and will be fully applicable to, the trading of all Contracts. The Exchange retains the right to take any appropriate disciplinary actions against Participants and their Authorized Users as permitted by the Rules, as applicable.¹

(b) It shall be an offense to violate any Rule regulating the conduct or business of a Participant, or any agreement made with EX, or to engage in fraud, dishonorable or dishonest conduct, or in conduct which is inconsistent with just and equitable principles of trade.

(c) No Participant or Authorized User shall enter into or attempt to enter into any trade on the Exchange that:

- (i) does not result in a change in beneficial ownership,
- (ii) is designed to artificially inflate trading volume,
- (iii) in any way attempts to circumvent EX's Order processing, trade ordering, trade execution systems, or otherwise to circumvent exposure of the Order to open and competitive bidding on EX, or
- (iv) has some other illegitimate purpose.

(d) No Participant or Authorized User shall engage, or attempt to engage, in any fraudulent act or engage, or attempt to engage, in any scheme to defraud, deceive or trick in connection with or related to any trade on or other activity related to the Exchange or the Clearinghouse.

(e) No Participant or Authorized User shall execute any fictitious transactions or execute any such Order with knowledge of its nature. No Participant shall effect or induce the purchase or sale of any Contract for the purpose of creating or inducing a false, misleading, or artificial appearance of activity in such Contract, or for the purpose of unduly or improperly influencing the market price of such Contract or for the purpose of making a price which does not reflect the true state of the market in such Contract. No Participant shall arrange and execute

¹ See [Section 4c of the Commodity Exchange Act](#).

simultaneous offsetting buy and sell Orders in a Contract with intent to artificially affect reported revenues, trading volumes or prices.

(f) Orders entered into the EX System for the purpose of upsetting the equilibrium of the market in any Contract, creating, facilitating or exacerbating a disorderly market or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Participant or Authorized User who makes or assists in entering any such Order or clearing a transaction 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 or clearing a transaction, will be deemed to have engaged in an act detrimental to the Exchange or the Clearinghouse.

(g) No Participant or Authorized User shall manipulate or attempt to manipulate the market in any Contract. Furthermore, no Participant shall intentionally or recklessly engage, or attempt to engage, in the following in connection with any Contract: use manipulation to defraud, make an untrue or misleading statement or omit a material fact, engage in fraudulent or deceitful business practices, or deliver misleading or inaccurate reports concerning market information that affect the price of any Contract. No Participant shall directly or indirectly participate in or have any interest in the profit of a manipulative operation or knowingly manage or finance a manipulative operation.

(h) No Participant or Authorized User shall place or accept buy and sell Orders in the same product and expiration month, where the Participant knows or reasonably should know that the Orders are intended to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as “wash sales”). For the avoidance of doubt, opposing positions of the same expiration may be used to close positions before expiration and shall not be deemed to violate the prohibition on wash trades. Buy and sell Orders by Participants that are entered with the intent to negate market risk or price competition shall be deemed to violate the prohibition on wash trades. Additionally, no Participant shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.

(i) No Participant or Authorized User shall engage in any trading, practice, or conduct on or subject to the rules of the Exchange or the Clearinghouse that constitutes fraudulent or abusive trading, including, but not limited to violating bids or offers; demonstrating intentional or reckless disregard for orderly execution of transactions during the closing period; or what 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). Any Participant or Authorized User 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 EX.

(j) No Participant or Authorized User shall engage in any trading, practice, or conduct that constitutes a “disruptive trading practice,” as such term is defined by the CEA or in CFTC Regulations. Disruptive trading practices shall include any activity that (i) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period, (ii) consists of placing one or more Order with an intent to cancel such Order(s) prior to execution, (iii) submitting or cancelling Orders with an intent to overload EX, (iv) submitting or cancelling

bids or offers with an intent to delay another person's execution of trades, or (v) submitting or cancelling multiple bids or offers to create an appearance of false market depth.

(k) No Person shall make any misstatement of a material fact to the Exchange or the Clearinghouse (including the Board of Managers, any committee thereof or any panel of any such committee, or any Officer) or to the CFTC or the NFA (including any members of its staff), including on an application to become a Participant of EX.

(l) No Participant or Authorized User may use its Trading Privileges or Clearing Privileges or access the Exchange or the Clearinghouse in any way which could be expected to bring disrepute upon such Participant or the Exchange or the Clearinghouse.

(m) No Participant or Authorized User shall engage in any act that is detrimental to EX. It shall be deemed an act detrimental to EX to permit unauthorized use of EX, to assist any Person in obtaining unauthorized access to EX, to interfere with the operation of the EX, to intercept or interfere with information provided thereby, or in any way to use EX in a manner contrary to these Rules.

(n) Each Participant shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Authorized Users comply with Applicable Law and the Rules, and shall be responsible for supervising its Authorized Users and may be held accountable for the actions of such Authorized Users.

(o) No Participant who is not an Entity shall trade for a person or Entity other than itself, unless specifically authorized to act as an Authorized User for such person or Entity, and no Authorized User of a Participant that is an Entity shall trade for a person or Entity other than the Entity for whom that person is an Authorized User, unless appropriately authorized to do so by each of the relevant Participants.

(p) Except in accordance with any policies or procedures for pre-execution discussion or pre-clearing discussion from time to time adopted by EX, no Participant shall disclose to any Person any Order placed by any other Person, except to an Officer of EX or a member of the staff of the CFTC, the NFA, or the Department of Justice, respectively. No Participant shall solicit or induce another Participant to disclose Order information. No Person shall take action or direct another to take action based on non-public Order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this Rule 6.1(p).

(q) No Participant shall enter into or agree to transfer or transfer the benefit of any position in any Contract to another person other than through a transaction executed through EX.

(r) All pre-negotiated or pre-arranged transactions that are not expressly permitted by EX are hereby prohibited.

CHAPTER 7 RULE ENFORCEMENT

7.1. Market Surveillance

The EX System will record and store for a period of not less than 5 years (or longer as may be required by Applicable Law) in a searchable, read-only database a record of all data entered into the EX System. Such records shall be maintained in a readily available manner during the first two years. The Exchange shall conduct market surveillance and trade practice surveillance using this data with programs designed to alert the Exchange when potentially unusual or otherwise questionable trading activity takes place. The Exchange will initiate review and, where appropriate, investigate such unusual trading activity. The Exchange will also investigate any time it has other reason to believe that inappropriate activity of any sort is taking place.

7.2. General

(a) All Participants and Authorized Users shall be subject to EX's jurisdiction. All Participants and Authorized Users are subject to this Chapter 7 if they are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule or any provision of Applicable Law for which EX possesses disciplinary jurisdiction.

(b) The Exchange will conduct inquiries, investigations, disciplinary proceedings and appeals from disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 7.

(c) No member of the staff of EX will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action. No Manager will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary, imposition of fines, summary suspension or other summary action with respect to which the Manager is not a member of the relevant Appeals Panel.

(d) Any Participant or Authorized User may be represented by counsel during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 7.

(e) Pursuant to this Chapter 7, the Exchange may hold:

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

(ii) a Participant liable for, and impose sanctions against such Participant, for the acts and omissions of each Authorized User authorized by, and each other agent or representative of, such Participant that constitute a violation as if such violation were that of the Participant;

(iii) an Authorized User liable for, and impose sanctions against him or her, for such Authorized User's own acts and omissions that constitute a violation; and

(iv) an Authorized User liable for, and impose sanctions against him or her, for the acts and omissions of each agent or representative of such Authorized User that constitute a violation as if such violation were that of the Authorized User.

7.3. Inquiries and Investigations

(a) The Compliance Department will investigate any matter within the EX's disciplinary jurisdiction that is brought to such department's attention, including but not limited to, possible violations of the Rules or manipulation of a Contract that is traded on the Exchange or cleared through the Clearinghouse. All such investigations must be completed in a timely manner, as determined in the reasonable judgment of the Exchange. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion and will function independently of any commercial interests of EX.

(b) The 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 Participant or Authorized User:

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

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

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

(d) The Compliance Department will maintain a log of all investigations and their disposition. The Compliance Department will prepare a written report of each investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within EX'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. Any written report of investigation will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, and the recommendation of the Compliance Department. For each potential respondent, the Compliance Department will recommend either (i) closing the investigation without further action, (ii) summary action, (iii) resolving the investigation through an informal disposition, including the issuance of a warning letter or (i) initiating disciplinary proceedings. An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction.

(e) The Chief Compliance Officer will review promptly each completed investigation report to determine whether a reasonable basis exists to believe that a violation within EX's jurisdiction has occurred or is about to occur. Such determination will be made by the Chief Compliance Officer within ten (10) Business Days of receipt of the applicable investigation report. If the Chief Compliance Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within EX's jurisdiction has occurred or is about to occur, the Chief Compliance Officer will direct the Compliance Department to conduct further investigation.

(f) After receiving completion of an investigation, the Chief Compliance Officer will determine for each potential respondent whether to authorize:

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

(ii) the informal disposition of the investigation (by issuing a warning letter or otherwise) if the Chief Compliance Officer determines that a violation of the Rules or any applicable Contract Rules may have occurred but that formal disciplinary proceedings are unwarranted; or

(iii) the closing of the investigation without any action, and without the issuance of a warning letter, because disciplinary proceedings are not warranted and no reasonable basis exists to believe that a violation within EX's jurisdiction has occurred or is about to occur.

7.4. Notice of Charges and Opportunity to Respond

(a) If the Chief Compliance Officer authorizes disciplinary proceedings pursuant to Rule 7.3, the Compliance Department will prepare in accordance with this Rule 7.4

and serve in accordance with this Rule 7.4, a notice of charges within twenty (20) Business Days thereafter.

(b) A notice of charges will:

(i) state the acts, practices or conduct 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 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, which statement must be submitted within twenty (20) Business Days after service of the notice of charges;

(v) advise the respondent of its right to a hearing and its right to have counsel present;

(vi) state the period of time within which the respondent can request a hearing on the notice of charges, in lieu of submitting a written statement pursuant to Rule 7.4(b)(iv), which will not be less than twenty (20) Business Days after service of the notice of charges;

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

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

(c) If the respondent submits a written statement pursuant to Rule 7.4(b)(iv), the Chief Compliance Officer shall, within ten (10) Business Days after receipt of the written statement, advise the respondent:

(i) of the Chief Compliance Officer's decision to drop any or all of the potential charges;

(ii) that the disciplinary proceedings will proceed with respect to all remaining charges in accordance with the notice of charges delivered to the respondent; and/or, as appropriate

(iii) that the respondent shall have twenty (20) Business Days to submit an answer to the notice of charges, as described in this Rule 7.4.

(d) If the respondent determines to answer a notice of charges, the respondent must file answers within twenty (20) Business Days after being served with such notice, or within such other time period determined appropriate by the Chief Compliance Officer. 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; and
- (iv) specify any affirmative defenses to the notice of charges.

(e) 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 answer one or more allegations in a notice of charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a notice of charges that the respondent fails to expressly deny will be deemed to be admitted. A general denial by the respondent, without more, will not satisfy the requirements of paragraph (b) above.

(f) Any notice of charges or other documents contemplated to be served pursuant to this Chapter 7 may be served (and service shall be deemed complete) upon the respondent either personally or by (i) leaving the same at his or her place of business or by deposit in the 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 EX, or (ii) sending the same via electronic mail to the e-mail address of the respondent as it appears on the books and records of EX.

7.5. Settlements

(a) A respondent or potential respondent may at any time propose in writing an offer of settlement to anticipated or instituted disciplinary proceedings. Any offer of settlement should contain proposed findings and sanctions and be signed by the respondent or potential respondent and submitted to the Compliance Department. A respondent or potential respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in the order of the disciplinary proceedings but must accept the jurisdiction of EX over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.

(b) If a respondent or potential respondent submits an offer of settlement in accordance with paragraph (a) above, the Compliance Department will forward the offer to the Chief Compliance Officer with a recommendation on whether to accept or reject the offer. If the Chief Compliance Officer conditionally accepts an offer of settlement, the settlement will become final upon the expiration of twenty (20) Business Days after an order of the disciplinary proceedings consistent with the terms of the offer of settlement is served on the respondent.

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

(d) If the offer of settlement of a respondent or potential respondent is not accepted, 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 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.

7.6. Disciplinary Panel

(a) A disciplinary panel consisting of five individuals selected by the Exchange's Board (the "**Disciplinary Panel**"), will conduct hearings in connection with any disciplinary proceedings, to make findings and impose sanctions pursuant to this Chapter 7. A separate Disciplinary Panel will be established prior to the commencement of each disciplinary matter. No Disciplinary Panel shall be comprised in a manner such that any group or class of industry participants may reasonably be expected to dominate or exercise disproportionate influence on such panel. Each Disciplinary Panel shall consist of individuals who (1) would qualify as a Public Manager (if the individual was a Manager of the Exchange), except in cases limited to decorum, attire, or the timely submission of accurate records required for clearing or verifying each day's transactions and (2) are drawn from the NFA's Hearing Committee. For the avoidance of doubt, members of the Compliance Department shall not be eligible to serve on a Disciplinary Panel.

(b) Within ten (10) Business 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 any reasonable grounds, by serving written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The Chief Compliance Officer 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.

(c) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 7.13) will be conducted at a hearing before the Disciplinary Panel. A hearing will be conducted privately and confidentially unless the Disciplinary Panel decides that the hearing, or any part of it, should be held in public after giving each respondent the opportunity to present its, his or her views on holding a public hearing. Notwithstanding the confidentiality of hearings, the Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.

(d) After reasonable notice to each respondent, the Disciplinary Panel will promptly (but in no event later than thirty (30) Business Days following such notice) convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Compliance Department.

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

(f) Except for procedural and evidentiary matters decided by the chairman of the Disciplinary Panel pursuant to paragraph (e) above, unless each respondent otherwise consents, the entire Disciplinary Panel must be present during the entire hearing and any related deliberations.

7.7. 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 EX that the Compliance Department will use to support the allegations and proposed sanctions in the notice of charges or which the chairman of the Disciplinary Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and EX will have no obligation to disclose, any information protected by attorney-client privilege or any other privileges recognized by Applicable Law.

(b) If any books, records, documents, papers, transcripts of testimony, or other tangible evidence contain information that could adversely affect the competitive position of the Person providing the information or if such information might compromise other investigations being conducted by the Compliance Department, the Compliance Department may redact, edit or code such information before furnishing it to the respondent.

(c) Notwithstanding anything in paragraph (b) above to the contrary, the Compliance Department 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 will provide the respondent with access to the information and portions of the documents that the Compliance Department intends to rely on to support the allegations or proposed sanctions in the notice of charges.

(d) For purposes of this Rule 7.7, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or liquidating positions, the identity of any Participant or Authorized User and the personal finances of the Person providing the information.

7.8. Hearings

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

notice of charges in accordance with Rule 7.4, the respondent is entitled to attend and participate in the hearing.

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

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

(ii) call and examine witnesses; and

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

(c) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the notice of charges are not expressly denied in the respondent's answer, the chairman of the Disciplinary Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the notice of charges, or otherwise) unless the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Disciplinary Panel will adjourn the hearing and direct the respondent to promptly file a written answer in accordance with Rule 7.4.

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

(e) If during any disciplinary proceedings the Disciplinary Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule or a provision of Applicable Law other than the violations alleged in the notice of charges, the Disciplinary Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 7.4. In connection with considering apparent violations pursuant to this paragraph (e), the Disciplinary Panel may request that the Compliance Department provide the Disciplinary Panel with any additional information.

(f) The Disciplinary Panel may summarily impose sanctions on any Participant or Authorized User that impede or delay the progress of a hearing.

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

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

7.9. Decision of Disciplinary Panel

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

(b) The Exchange will serve a copy of the order of the disciplinary proceedings on the respondent and the Compliance Department. The order will include:

- (i) the notice of charges or summary of the allegations;
- (ii) the answer, if any, or a summary of the answer;
- (iii) a brief summary of the evidence introduced at the hearing;
- (iv) findings of fact and conclusions concerning each allegation, including each specific Rule and provision of Applicable Law that the respondent is found to have violated;
- (v) the imposition of sanctions, if any, and the effective date of each sanction; and
- (vi) notice of the respondent's right to appeal pursuant to Rule 7.12.

(c) Unless a timely notice of appeal is filed pursuant to Rule 7.12, the order of the disciplinary proceedings will become final upon the expiration of twenty (20) Business Days after the order is served on the respondent and a copy thereof is provided to the Compliance Department.

7.10. Sanctions

(a) After notice and opportunity for hearing in accordance with these Rules, the Exchange will impose sanctions if a Participant or Authorized User is found to have violated or to have attempted to violate a Rule or provision of Applicable Law for which EX possesses disciplinary jurisdiction. The Exchange may impose one or more of the following sanctions or remedies: (i) censure; (ii) limitation on Trading Privileges and/or Clearing Privileges, association with a Participant or other activities, functions or operations; (iii) suspension of Trading Privileges and/or Clearing Privileges or association with a Participant; (iv) fine (subject to paragraph (b) below); (v) restitution or disgorgement; (i) termination of Trading Privileges and/or Clearing Privileges; or (vii) any other sanction or remedy deemed to be appropriate.

(b) The Exchange may impose a fine of up to \$500,000 for each violation. If a fine or other amount is not paid within thirty (30) Business 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. EX 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 Authorized User authorized by, or other agent or representative of, such Participant.

(c) 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.

7.11. Costs

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

(b) The Disciplinary Panel may only award costs against EX if it concludes that EX has behaved in a manifestly unreasonable manner in the commencement or conduct of the disciplinary proceedings in question. The Disciplinary Panel must limit any award of costs against EX to an amount that it concludes is reasonable and appropriate, but does not exceed the respondent's costs for external legal or other external professional assistance.

(c) The Disciplinary Panel may determine the amounts and allocation of costs in any manner it may deem appropriate. EX or the respondent will pay any costs ordered to be paid by it by the Disciplinary Panel within thirty (30) Business Days of the later of either written notice of (i) the amount imposed by the Disciplinary Panel or (ii) the determination of an appeal by the Appeals Panel against the Disciplinary Panel's determination.

7.12. Appeals

(a) Each respondent found by the Disciplinary Panel to have violated a Rule or who is subject to any summary fine imposed pursuant to Rule 7.13 or any summary sanction imposed pursuant to Rule 7.14 may appeal the decision to an Appeal Panel within twenty (20) Business Days of receiving the order of the disciplinary proceedings or the notice of summary action, as the case may be, by filing a notice of appeal with the Chief Compliance Officer. While an appeal is pending, the effect of the order of disciplinary proceedings or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended; *provided however*, any summary sanction entered under Rule 7.14 shall continue in effect during the appeal.

(b) The notice of appeal must state in writing the grounds for appeal, including the findings of fact, conclusions or sanctions to which the respondent objects. An appellant may appeal the order of disciplinary proceedings or any summary decision on the grounds that:

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

(ii) the decision exceeded the authority or jurisdiction of the Disciplinary Panel, the Chief Compliance Officer or EX;

(iii) the decision failed to observe required procedures;

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

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

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

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

(e) Within thirty (30) Business Days after the last submission filed pursuant to paragraph (c) above, the Chief Compliance Officer will appoint the Appeals Panel drawn from the Regulatory Oversight Committee to consider and determine the appeal. If less than 3 individuals from the Regulatory Oversight Committee are eligible to serve on the Appeals Panel, the Appeals Panel shall be a panel solely comprised of those individuals from the Regulatory Oversight Committee that are eligible to serve on the Appeals Panel and such additional individuals meeting the requirements of Public Manager who are appointed by the Chief Compliance Officer. Members of the Compliance Department of EX shall not be eligible to serve on the Appeals Panel. Members of a Disciplinary Panel may not serve on an Appeals Panel for the same matter.

(f) The Appeals Panel may hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially unless the Appeals Panel decides that the hearing, or any part of it, should be held in public after giving each appellant the opportunity to present their views on holding a public hearing. Notwithstanding the confidentiality of hearings, the Appeals Panel may appoint individuals to attend any hearing and assist in the deliberations if such individuals agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeals Panel will be bound by evidentiary or procedural rules or law.

(g) The Appeals Panel will only consider on appeal the record before the Disciplinary Panel or, in the case of a summary action, the record considered by the Chief Compliance Officer or the Chief Compliance Officer's designee, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeals

Panel may only consider new evidence when the Appeals Panel is satisfied that good cause exists on why the evidence was not introduced during the disciplinary proceeding or when imposing the summary action.

(h) After completing its review, the Appeals Panel may affirm or, only if it finds that the decision of the Disciplinary Panel or the Chief Compliance Officer that is under review, as the case may be, meets one of the criteria listed in Rule 7.12(i) below, 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, or remanding the matter to the same or a different Disciplinary Panel for further disciplinary proceedings or for reconsideration by the Chief Compliance Officer. The Appeals Panel may order a new hearing for good cause or if the Appeals Panel determines in its sole discretion that the appellant was not given a full and fair opportunity to make an argument in its favor and present supporting evidence.

(i) As described in Rule 7.12(h) above, the Appeals Panel may modify or reverse any order of the disciplinary proceedings or summary action under appeal only if it finds that the decision was:

(i) Arbitrary, capricious, or an abuse of the discretion of the Disciplinary Panel, the Chief Compliance Officer, or the Chief Compliance Officer's designee, as the case may be;

(ii) In excess of the authority or jurisdiction of the Disciplinary Panel or the Chief Compliance Officer, as the case may be; or

(iii) Based on a clearly erroneous application or interpretation of the Rules.

(j) As promptly as reasonably possible following its review, the Appeals Panel will issue a written decision on appeal rendering its decision based on the weight of the evidence before the Appeals Panel.

The decision of the Appeals Panel will include a statement of findings of fact and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Rule and provision of Applicable Law that the respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the effective date of each sanction, remedy or cost.

(k) The Appeal Panel's written order on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies and costs, and the effective date of any sanction, remedy cost) will be the final action of the Exchange and will not be subject to appeal within the Exchange or Clearinghouse.

(l) Within ten (10) Business Days of being notified of the appointment of the Appeals Panel, a respondent may seek to disqualify any individual named to the Appeals Panel for the reasons identified in this Rule 7.12 or for any other reasonable grounds, by serving written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the

respondent will be deemed to have waived any objection to the composition of an Appeals Panel. The Chief Compliance Officer 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.

7.13. Summary Imposition of Fines

(a) The Chief Compliance Officer may summarily impose a fine against a Participant or Authorized User for failing:

(i) to make timely payments of margin, options premiums, fees, cost, charges or fines to the Exchange or the Clearinghouse;

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

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

(b) The Compliance Department, acting on behalf of the Chief Compliance Officer, will give notice of any fine imposed pursuant to this Rule 7.13 to each Participant or Authorized User 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 twenty (20) Business Days of serving the notice of fine, the Participant or Authorized User, as the case may be, must either pay the fine or file notice of an appeal pursuant to Rule 7.12. Unless timely notice of appeal is filed pursuant to Rule 7.12, the fine will become final upon the expiration of twenty (20) Business Days after the notice of fine is served on the Participant or Authorized User, as the case may be.

(c) EX, in its sole discretion, may deduct the amount of any fine imposed pursuant to Rule 7.13(b) directly from the Participant's Account; *provided*, that EX may not make such a deduction if the result would be to cause an event of default with respect to any Open Contract Positions then held in the Account of such Participant.

(d) EX will set the amount of any fines imposed pursuant to this Rule 7.13, with the maximum fine for each violation not to exceed \$5,000. Summary imposition of fines pursuant to this Rule 7.13 will not preclude EX from bringing any other action against the Participant or Authorized User, as the case may be.

7.14. Summary Suspensions and Other Summary Actions

(a) Notwithstanding anything in the Rules to the contrary, the Chief Compliance Officer or the Chief Compliance Officer's designee, upon a good faith determination that there are substantial reasons to believe that such immediate action is necessary to protect the public or the best interests of EX, may order that any party be denied access to the Exchange and/or the Clearinghouse, or summarily limit, condition, restrict or qualify the Trading Privileges and/or the Clearing Privileges of a Participant or Authorized User, and may take other summary action against any Participant or Authorized User in accordance with the Rules; *provided, however*, that the Chief Compliance Officer or the Chief Compliance Officer's designee in issuing an order denying access, may permit such party to enter Orders solely for the purpose of liquidating the

Open Contract Positions of such Participant while the applicable suspension, limitation, condition, restriction or qualification of access is in effect.

(b) Promptly after an order is issued pursuant to paragraph (a), the party shall be informed of the action taken, the reasons for the action, the effective date and the duration of the action. The party shall also be informed of his or her right to appeal the action under Rule 7.12. Whenever practicable, the Compliance Department, acting on behalf of the Chief Compliance Officer, shall provide such notice prior to taking the action.

(c) Unless timely notice of appeal is filed pursuant to Rule 7.12, the summary action will become final upon the expiration of twenty (20) Business Days after the notice of action is served on the respondent.

(d) At the request of the Exchange or the Clearinghouse, a respondent against whom a summary action is brought pursuant to this Rule 7.14 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 or the Clearinghouse in connection with the enforcement of any Rule.

(e) A respondent whose Trading Privileges and/or Clearing Privileges are suspended, limited, conditioned, restricted or qualified pursuant to this 7.14 may apply for reinstatement by filing with the Compliance Department a written request stating the applicant's reasons for seeking reinstatement. EX will not consider a respondent's request for reinstatement if the respondent (i) persists in the conduct which was the subject of the order denying access; (ii) owes any fines, fees, charges or costs to EX, (iii) continues to fail to appear at disciplinary proceedings without good cause or (iv) continues to impede the progress of disciplinary proceedings.

(f) Within a reasonable period after the filing of a request for reinstatement, the Appeals Panel will conduct a hearing to consider the request. At the hearing for reinstatement, the respondent will present its, his or her case supporting the reinstatement and the Compliance Department, acting on behalf of the Chief Compliance Officer may, in its discretion, present its case opposing or supporting the reinstatement and each may present relevant and admissible evidence and facts and call, examine and cross-examine witnesses. At the hearing for reinstatement, EX may require any Participant or any Authorized User to appear as witnesses and produce evidence if the Appeals Panel determines that the evidence is relevant.

(g) As promptly as reasonably possible after a reinstatement hearing, the Appeals Panel will issue an order reinstating, denying the reinstatement, or placing conditions on the reinstatement of the Trading Privileges and/or the Clearing Privileges, or association with a Participant, of the respondent. The order will include a brief summary of the evidence introduced at the reinstatement hearing; and, if applicable, findings of fact and conclusions not contained in the Appeals Panel's initial order issued pursuant to Rule 7.14(d) above. The Appeals Panel's order may not be appealed.

(h) Any decision to deny access pursuant to paragraph (a) shall not remain in effect for more than sixty (60) Business Days unless the Chief Compliance Officer or the Chief Compliance Officer's designee, upon further consideration of the circumstances giving rise to the

order denying access, issues a separate order denying access for an additional period of time, not to exceed sixty (60) Business Days. The party must be notified thereof prior to issuance of the second order, unless prior notice is impracticable. Such notice must meet the standards provided in paragraph (b). At any time, a party subject to an action under this Rule 7.14, may petition the Chief Compliance Officer or the Chief Compliance Officer's designee to reconsider an access denial pursuant to this Rule based upon materially changed circumstances.

(i) When the Trading Privileges and/or Clearing Privileges of a Participant are, or the association of an Authorized User with a Participant is, suspended for a period of 12 months or less, none of its rights and Trading Privileges and/or Clearing Privileges (including the right to hold oneself out to the public as a Participant, enter Orders into the EX System and receive Participant rates for fees, costs, and charges and deposit margin at Participant levels) will apply during the period of the suspension, except for the right of the Participant or Authorized User in question to assert claims against others as provided in the Rules. Any such suspension will not relieve the Participant or Authorized User in question of its, his or her obligations under the Rules to perform any Contracts entered into before the suspension, or for any EX imposed fees, costs, or charges incurred during the suspension. EX may discipline a suspended Participant or Authorized User under this Chapter 7 for any violation of a Rule or provision of Applicable Law committed by the Participant before, during or after the suspension.

(j) When the Trading Privileges and/or Clearing Privileges of a Participant are, or the association of an Authorized User with a Participant is, terminated, all of its rights and Trading Privileges and/or Clearing Privileges will terminate, except for the right of the Participant or Authorized User in question to assert claims against others, as provided in the Rules. A terminated Participant or Authorized User may only seek to reinstate its Trading Privileges and/or Clearing Privileges by applying for Trading Privileges and/or Clearing Privileges pursuant to Rule 3. EX will not consider the application of a terminated Participant or Authorized User if such Participant or Authorized User, as the case may be, continues to fail to appear at disciplinary proceedings without good cause or continues to impede the progress of disciplinary proceedings.

(k) A suspended or terminated Participant or Authorized User remains subject to the Rules and the jurisdiction of EX 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 an Authorized User still had Trading Privileges and/or Clearing Privileges or was still associated with a Participant, as the case may be.

7.15. Publication of Disciplinary Action

(a) Within two (2) Business Days after a disciplinary action becomes final, notice of any disciplinary action outcome providing that a Participant is suspended, expelled, disciplined, or denied access to the Exchange and/or the Clearinghouse shall be provided to the NFA for inclusion in its internet accessible database of disciplinary matters.

(b) EX will make public notice of the disciplinary action by posting on its website, in accordance with [CFTC Regulation 9.13](#), the information required by CFTC Regulation

9.11. The disciplinary action will be considered final on the date the notice of the disciplinary action is published on the EX website.

CHAPTER 8 ARBITRATION

8.1. General

(a) Except as otherwise provided in the Rules, Participants and their Authorized User(s) must arbitrate all controversies arising in connection with their EX-related business between or among themselves. Notwithstanding the foregoing, this Rule 8.1 does not require arbitration of claims alleging employment discrimination (including sexual harassment) in violation of Applicable Law.

(b) Except as otherwise provided in the Rules, Participants and their Authorized User(s) must arbitrate all controversies with the Exchange or Clearinghouse arising in connection with their EX-related business.

(c) The NFA will conduct any and all arbitrations of a type described in this Rule 8.1 in New York, New York. Any and all arbitrations of a type described in this Rule 8.1 above will be conducted pursuant to the NFA's Code of Arbitration and Member Arbitration Rules.

8.2. Penalties

(a) Any failure on the part of any Participant or Authorized User to arbitrate a case subject to arbitration, or the commencement by any such Person of a suit in any court prior to arbitrating a case subject to arbitration, violates the Rules and subjects such Participant or Authorized User to disciplinary proceedings pursuant to Chapter 7.

(b) EX may summarily suspend, pursuant to Chapter 7, a Participant or Authorized User that fails to satisfy an arbitration award rendered in any arbitration pursuant to this Chapter 8.

CHAPTER 9 CONTRACT RULES

9.1. Contract Specifications

Each Contract will meet such specifications, and all trading in such Contract will be subject to such procedures and requirements, as set forth in the rules governing such Contract.

[RESERVED]