



**ICE CLEAR US, INC.
RULES**

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Part 2 Clearing Membership

Rule 201. Clearing Membership

(a) Only Clearing Members shall be entitled to clear Contracts with the Corporation, except that, if the Board so determines, the Corporation may clear contracts, options or other instruments for members of any other clearing organization (including in connection with the linkage of an Exchange with another board of trade, exchange or market which is not an Exchange). Each Clearing Member shall have the privilege of clearing with the Corporation all Contracts traded on or subject to the rules of each Exchange of which it is a member or member firm and any other Contracts authorized to be cleared by it by the Corporation, whether for a customer or house account, ~~as specified in paragraph (b) of this Rule 201.~~

(b) Each Clearing Member shall have the privileges, rights and obligations provided for in and pursuant to the By-Laws and these Rules. Such privileges, rights and obligations may be terminated or altered in any respect at any time as provided in the By-Laws or these Rules.

(c) Any power of attorney or other authorization to transact business with the Corporation given by a Clearing Member to any person shall remain in effect until a written notice of change has been received by the Corporation.

Rule 202. Eligibility Requirements

To become and remain a Clearing Member and to have the privilege of clearing Contracts effected on or subject to the rules of one or more Exchanges, a Person must:

(a) Be an Entity that is a member firm of such Exchange or Exchanges ~~and satisfy the clearing member requirements set forth in the By-laws and these Rules of the Corporation;~~

(b) Have one person, satisfactory to the Corporation, who is: (i) a director, general partner, trustee or officer (or person occupying a similar status or performing similar functions); (ii) responsible for the clearing operations of such Person; and (iii) authorized and empowered to act on behalf of such Person in all transactions with or involving the Corporation including but not limited to satisfying margin calls, paying option premiums, issuing and receiving delivery notices and furnishing reports and information, and have a second person who meets the requirements of this subparagraph (b) ~~(i) of this Rule 202~~ and who is authorized to act on behalf of such Person in all transactions with or involving the Corporation in the event of unavailability, death, incompetence or other inability of the first person ~~to so act;~~

(c) Have Capital of at least \$5,000,000;

(d) Have, in the judgment of the Board (and, if applicable, taking into account any guarantee provided by a Guarantor pursuant to Rule 202(e)), such qualities of financial responsibility, creditworthiness, operational capacity, experience, business integrity, reputation and competence as the Board, in its discretion, may consider necessary or appropriate to be a Clearing Member; and demonstrate that it has sufficient financial ability to make and maintain anticipated Guaranty Fund contributions and provide initial margin, variation margin and option premiums as required by these Rules.

(e) If an Entity which is subject to Control by any other Person or Persons and if so required by the Corporation at any time in its determination (including in light of the considerations in Rule 202(d)), have on file with the Corporation a guarantee in such form as the Corporation may prescribe from such other Person or from one or more of such other Persons (as the Corporation may specify) (each, a "Guarantor") unconditionally guaranteeing

payment of all amounts owing by such Entity under or in connection with any ~~house~~ account carried by the Corporation for such entity; ~~provided, however, that the Board may, for good cause shown, waive or modify the requirements of this paragraph (e) with respect to any such Entity. Notwithstanding the foregoing, the Board shall not waive the guarantee requirement for any Entity that has chosen one (1) or more of its Affiliated Persons as the Approved Financial Institution to maintain its initial margin accounts or for any other purpose pursuant to the Rules of the Corporation.~~

~~(f) Notwithstanding the provisions of paragraphs (a) through (e) of this Rule 202, only those Clearing Members that have demonstrated the operational capacity to measure and manage the risks associated with over the counter instruments shall be approved by the Corporation to clear and carry positions in such instruments.~~

(f) At all times maintain an office to which all notices, orders and other communications from the Corporation may be transmitted or delivered. Such office shall be: (i) at a location satisfactory to the Board; (ii) kept open during normal business hours; (iii) staffed on a full time basis and under the direct supervision and responsibility of a person meeting the qualifications in subparagraph (b) of this Rule, such person need not be physically located at such office.

(g) File with the Corporation such information as the Corporation may require regarding its (i) shareholders, partners, members, officers, directors, management personnel and Affiliated Persons; and (ii) ownership, Control or management.

(h) Monitor its electronic communication facilities during the course of each Business Day for receipt of communications from the Corporation. Review every communication, whether electronic or otherwise, delivered by the Corporation and report to the Corporation any error in such communication.

(i) Establish and maintain accounts at an Approved Financial Institution for the deposit of funds (including without limitation Approved Foreign Currencies) and securities required to be transmitted to and from such Clearing Member pursuant to the By-Laws and these Rules, and to enter into arrangements with such Approved Financial Institution, and if applicable such Qualified Financial Institution, satisfactory to the Corporation for the transfer by wire or other means of funds and securities into and out of such accounts (separately for any customer and house accounts) on the order of the Corporation and within timelines established by the Corporation.

(j) Maintain such operational capability, including without limitation having such equipment, facilities and personnel, as in the judgment of the Corporation are necessary and desirable in order to properly perform the function of clearing Contracts with the Corporation and to comply with all of the obligations of the Clearing Member pursuant to the By-Laws and these Rules. In particular, the applicant must have the ability to: (i) process expected volumes and values of transactions within required time frames, including at peak times and on peak days; and (ii) fulfill collateral, payment and delivery obligations of the Corporation.

(k) Maintain as appropriate for the nature of its business, risk management policies, procedures and systems reasonably sufficient in the judgment of the Corporation to monitor and control financial and operational risks from accounts cleared by it. Such written risk management policies, procedures and systems shall be made available to the Corporation upon request.

(l) Maintain Organization (and, if it has a Guarantor that provides a guarantee pursuant to Rule 202(e), such Guarantor maintains Organization) in a jurisdiction whose insolvency laws are acceptable to the Corporation.

(m) Have in place business continuity procedures that satisfy the Corporation's requirements.

(n) Participate in default management simulations, new technology testing and other exercises, as notified by the Corporation from time to time.

(o) If intending to clear customer business, Clearing Members must be registered as a futures commission merchant under the Act and maintain regulatory authorization in its home jurisdiction in order to be able to provide relevant clearing services, as appropriate. Clearing Members organized outside of the U.S. must have in place all necessary regulatory authorizations, licenses, permissions and approvals in their home jurisdiction and provide evidence of same.

(p) Timely comply with all provisions of any Cross Margining Program.

(q) The Corporation may at its discretion attach further objective conditions to any application for Clearing Member status prior to such status being granted, provided that such additional conditions are proportional to the risk brought by the applicant. The Corporation may grant approval to an applicant conditional upon satisfying certain requirements, provided that the applicant has expressed its intention to meet such requirements and provided evidence of its ability to do so.

Rule 203. Procedures for Becoming a Clearing Member

(a) Any Person desiring to become a Clearing Member must file an application with the Corporation in such form as the Corporation may prescribe, shall furnish such documents and information as the Corporation may request and shall pay such application fee as the Board may prescribe. The filing of any such application, documents and information, and the action by the Corporation with respect thereto, shall be as provided in these Rules.

(b) The Board shall have final authority to grant or deny an application to become a Clearing Member and shall deny the application of any Person which does not meet the eligibility requirements set forth in Rule 202; provided, however, that if the Board proposes to deny any such application, it shall so notify the applicant in writing, setting forth the grounds upon which the Board proposes to deny such application, and the applicant, upon written request made within ten days after the date of receipt of such notification, shall be entitled to a hearing before the Board. Any such hearing shall be conducted pursuant to rules and procedures adopted by the Board which, in the judgment of the Board, are sufficient to give such applicant an opportunity fully and fairly to present to the Board the applicant's reasons why the application should be granted.

(c) If the Board grants an application to become a Clearing Member, the Corporation shall promptly give the applicant written notice thereof, specifying each Exchange whose Contracts the applicant is entitled to clear. Such applicant shall become a Clearing Member at such time as the Applicant has (i) deposited such amount in the Guaranty Fund as may be required pursuant to Rule 301; and (ii) filed with the Corporation such agreements, undertakings and documents as the Corporation may require; provided, however, that if such applicant has not complied with the foregoing provisions within ~~30~~60 days after the applicant was given written notice of approval of its application, the application shall be deemed to have been withdrawn.

Rule 204. Reporting and Notice Requirements

(a) Each Clearing Member shall file with the Corporation:

(i) monthly and fiscal year-end financial statements in the form and timeframes prescribed in paragraph (b) of this Rule; and

(ii) a copy of each financial statement, financial report, or notice pursuant to Commission Regulation 1.12, Securities and Exchange Commission Rule 17a-11, FINRA Rule 3070 or similar rules, which it files with the Commission, any Self-Regulatory Organization, any national securities exchange or any clearing organization of which it is a member or member firm, or any other federal regulatory organization having jurisdiction over such Clearing Member, at the same time it files such statement or report with any such body, and if such statement or report is other than a routine periodic statement or report required under the by-laws, rules or regulations of such entity, such copy shall be accompanied by a written statement setting forth (to the extent known) the reasons why such Clearing Member is filing such statement or report.

(b) The financial statements required by subparagraph (a)(i) of this Rule shall be in the form adopted by the Commission for use by futures commission merchants (currently Commission Form 1-FR) or FOCUS Report Part II. [Monthly financial statements must be filed within 17 business days after the end of each month. Fiscal year-end statements must be filed: \(i\) within 90 days if submitting Form 1-FR; or \(ii\) within 60 days if submitting a FOCUS Report Part II.](#)

The financial statement for the fiscal year of a Clearing Member which is an Entity shall be certified by an independent public accountant, and the monthly financial statements shall be certified by the president, the chief financial officer or a general partner of the Clearing Member. The financial statements of a Clearing Member which is an individual shall be certified by such Person or Persons, in such manner, as the Board may prescribe.

A Clearing Member which elects to file a FOCUS Report Part II pursuant to this Rule [or in response to a request pursuant to paragraph \(d\) of this Rule](#) may not thereafter file a financial statement in the form adopted by the Commission for use by a futures commission merchant unless it obtains the prior consent of the Corporation.

A Clearing Member which elects to file a financial statement in the form adopted by the Commission for use by a futures commission merchant may subsequently elect to file a FOCUS Report Part II, provided that the first FOCUS Report Part II filed by such Clearing Member shall be accompanied by a statement reconciling the Clearing Member's adjusted net capital as shown on the FOCUS Report Part II with the adjusted net capital which would have been shown had it filed a financial statement for the same period in the form adopted by the Commission for use by a futures commission merchant.

(c) Each Clearing Member shall notify the Corporation in writing:

(i) If not registered with the Securities and Exchange Commission as a Broker-Dealer, when

(A) its Capital declines from that shown on the latest financial statement filed by it with the Corporation for any reason by 20% or more, or by an amount which reduces its Permitted Position Risk. Such notification shall be given not later than two (2) Business Day following the event requiring such notification; and

(B) any payment, loan or distribution to, or redemption of any outstanding shares of stock or other equity interest held by, any shareholder, partner, member, beneficiary or other holder of any equity interest of the Clearing Member will have the effect of reducing the Capital of such Clearing Member by more than 30% from that shown on the latest financial statement filed by it with the Corporation for any reason. Such notification shall be given at least two (2) Business Days prior to any such payment, loan, distribution or redemption and shall include the amount thereof, a balance sheet of the Clearing Member as of the last business day of the month prior to the month in which the same is to be made (certified by the president, the chief financial officer or a

general partner of the Clearing Member) and a description of the effect that the same will have on the Capital of the Clearing Member.

(ii) If registered with the Securities and Exchange Commission as a Broker-Dealer, when

(A) its tentative net capital (as defined in the rules of the Securities and Exchange Commission) declines from that shown on the latest financial statement filed by it with the Corporation for any reason by 20% or more, or by an amount which reduces its Permitted Position Risk. Such notification shall be given not later than two (2) Business Days following the event requiring such notification.

(B) any payment, loan or distribution to, or redemption of any outstanding shares of stock or other equity interest held by, any shareholder, partner, member, beneficiary or other holder of any equity interest of the Clearing Member will have the effect of reducing the tentative net capital (as defined in the rules of the Securities and Exchange Commission) of such Clearing Member by more than 30% from that shown on the latest financial statement filed by it with the Corporation for any reason. Such notification shall be given at least two (2) Business Days prior to any such payment, loan, distribution or redemption and shall include the amount thereof, a balance sheet of the Clearing Member as of the last business day of the month prior to the month in which the same is to be made (certified by the president, the chief financial officer or a general partner of the Clearing Member) and a description of the effect that the same will have on the Capital of the Clearing Member.

(iii) Upon the occurrence of any financial or business development that could materially affect the ability of the Clearing Member to comply with its obligations as a Clearing Member.

~~(d) If, in accordance with paragraph (b) of this Rule 203, the Board denies an application to become a~~Each Clearing Member, shall file with the Corporation ~~shall give the applicant written notice of the Board's decision, setting forth the grounds therefor, and such decision shall be the final action of~~ such financial or other information, in addition to what is explicitly required by this Rule, as may be requested by the Corporation from time to time.

(e) The qualifications and reports of accountants for Clearing Members must meet the requirements set forth in Commission Regulations and must be satisfactory to the Board.

(f) In the event that any Clearing Member (i) fails to meet any obligation to deposit or pay any margin or option premium when and as required by any clearing organization of which it is a member, (ii) fails to be in compliance with any applicable financial requirements of the Commission, any Self-Regulatory Organization, any securities exchange or clearing organization, (iii) becomes the subject of a bankruptcy petition, receivership proceeding or the equivalent, or (iv) becomes subject to statutory disqualification under Section 8a(2) or (3) of the Act or other applicable CFTC regulations or is subject to a fine or other sanction imposed by the Commission or any Self-Regulatory Organization, such Clearing Member shall immediately so advise the Corporation both telephonically and in writing.

Rule 204. Obligations of Clearing Members

~~A Clearing Member shall:~~

~~(a) At all times maintain an office to which all notices, orders and other communications from the Corporation may be transmitted or delivered. Such office shall be:~~

~~(i) at a location satisfactory to the Board;~~

~~(ii) kept open during normal business hours;~~

~~(iii) staffed on a full time basis by a general partner or officer of such Clearing Member who has been authorized and empowered by the Clearing Member to take any and all action with respect to such Clearing Member's positions with the Corporation, including but not limited to satisfying margin calls, paying option premiums, issuing and receiving delivery notices and furnishing reports and information, and~~

~~(iv) under the direct supervision and responsibility of an executive officer of such Clearing Member, who need not be physically located at such office.~~

~~(b) File with the Corporation such information regarding its shareholders, partners, members, officers, directors, management personnel and Affiliated Persons as the Corporation may require.~~

~~(c) Furnish the Corporation with such other information regarding the ownership, Control or management of such Clearing Member as the Corporation may request.~~

~~(dg) Notify~~Each Clearing Member shall provide the Corporation ample notice in writing prior to any change ~~of Control in the Clearing Member, and not effectuate any change of Control without the prior approval of the Corporation~~to the information provided under Rule 202(g).

~~(e) Notify the Corporation promptly in writing of any change (other than a change of Control, which shall be subject to paragraph (d)) which would cause a statement furnished pursuant to paragraphs (b) and (c) of this Rule 204 to be inaccurate or incomplete.~~

~~(f) Establish and maintain accounts at an Approved Financial Institution for the deposit of funds (including without limitation Approved Foreign Currencies) and securities required to be transmitted to and from such Clearing Member pursuant to the By-Laws and these Rules, and to enter into arrangements with such Approved Financial Institution, and if applicable such Qualified Financial Institution, satisfactory to the Corporation for the transfer by wire or other means of funds and securities into and out of such accounts (separately for any customer and house accounts) on the order of the Corporation.~~

~~(g) Maintain such operational capability, including without limitation having such equipment, facilities and personnel, as in the judgment of the Corporation are necessary and desirable in order properly to perform the function of clearing Contracts with the Corporation and to comply with all of the obligations of the Clearing Member pursuant to the By-Laws and these Rules.~~

~~(h) Maintain as appropriate for the nature of its business, risk management policies, procedures and systems reasonably sufficient in the judgment of the Clearing Member to monitor and control financial and operational risks from accounts cleared by it. Such written risk management policies, procedures and systems shall be made available to the Commission upon request.~~

~~(i) Timely comply with all provisions of any agreements entered into by such Clearing Member with the Corporation.~~

~~(j) Otherwise timely comply with all provisions of the By-Laws and these Rules.~~

~~(k) Timely comply with all provisions of any Cross Margining Program.~~

Rule 205. Reports to Clearing Members

~~Each Clearing Member shall immediately (a) review every communication delivered to such Clearing Member by the Corporation and (b) report to the Corporation any error in any such communication.~~

Rule 206. Effectiveness of Termination of Authority

~~Any power of attorney or other authorization to transact business with the Corporation given by a Clearing Member to any person shall remain in effect until a written notice of change has been received by the Corporation.~~

Rule 207. Receipt of Electronic Communications

~~Every~~ (h) Each Clearing Member shall ~~regularly monitor its electronic communication facilities during the course of each Business Day for receipt of communications from the Corporation~~ notify the Corporation promptly in writing of any change (other than a change of Control, which shall be subject to paragraph (d)) which would cause a statement furnished pursuant to these Rules to be inaccurate or incomplete.

Rule ~~208~~205. Documents, ~~Materials and~~ Communications and Payments Submitted to the Corporation

(a) All reports, documents, papers, statements, notices, checks, and other communications or other materials required or permitted by ~~the~~these Rules to be submitted to the Corporation, except as may otherwise be specifically prescribed by ~~the~~these Rules, shall be delivered to the Corporation or its designated agent at such times, in such form and in such manner as the Corporation shall require. Each item delivered to the Corporation shall specify the identity of the Clearing Member making such delivery.

(b) The Corporation shall have the right to instruct each Approved Financial Institution to debit a house margin account maintained by each Clearing Member, and/or any other non-customer account designated by such Clearing Member for purposes of this Rule, for any payment of fees, charges or other amounts (other than fines or penalties) due to the Corporation or due to any Exchange (if and to the extent the Corporation shall be acting as a collection agent for the Exchange).

~~(bc)~~ When a check tendered to the Corporation, by or on behalf of a Clearing Member, has been certified, or is presented by the Corporation to the bank upon which it is drawn for certification, or is deposited, the Clearing Member shall not be released of its obligation to the Corporation thereby, any statute or rule of law to the contrary notwithstanding; and in the event that such check shall not be collected in full by the Corporation upon presentation thereof in due course, the Clearing Member by or on whose behalf the same was given to the Corporation shall continue to be liable for the amount thereof.

~~(ed)~~ If a wire transfer to the Corporation made by or on behalf of a Clearing Member is reversed or revoked, then, any statute or rule of law to the contrary notwithstanding, the Clearing Member which made such transfer or on whose behalf such transfer was made shall continue to be liable for the amount thereof.

(e) No Clearing Member shall furnish any false, inaccurate or misleading information to the Corporation or accept any money or securities on the basis of any report or other information known by the Clearing Member to be incorrect.

Rule ~~209~~206. Records and Information

(a) Each Clearing Member shall keep accurate records showing the details of each Contract offered for clearing by or on behalf of such Clearing Member and such other information, in such form, as shall be required by the Corporation from time to time.

(b) All records required under ~~the~~these Rules shall be retained for the time, and in the manner, specified by Commission Regulations with respect to records required to be kept by the Act and Commission Regulations.

(c) Each Clearing Member shall permit representatives of the Corporation to inspect or take temporary possession of such Clearing Member's books and records at any time upon demand, and shall furnish the Corporation with all information requested at any time in respect of the Clearing Member's business and Contracts as the Corporation or its officers may require, including without limitation, information regarding all accounts or any specific account carried by such Clearing Member.

Rule 210. False Information

~~No Clearing Member shall furnish any false, inaccurate or misleading information to the Corporation or accept any money or securities on the basis of any report or other information known by the Clearing Member to be incorrect.~~

Rule 214207. Obligations of Suspended Clearing Member

A Clearing Member which has been suspended shall, during the term of such suspension and thereafter, remain and continue to be:

(a) subject to and bound by the By-Laws, these Rules and any agreements between such Clearing Member and the Corporation;

(b) obligated to pay all fees, fines, assessments or other charges imposed by the Corporation; and

(c) liable to the Corporation and to all other Clearing Members for all other obligations arising under Contracts cleared and all obligations incurred before, during or after such suspension, including but not limited to obligations to deposit and pay initial margin, variation margin and option premiums.

Rule 208. Position Risk

(a) The Corporation will be entitled at its discretion to establish, amend or revoke limits on position risk for Clearing Members or in respect of particular accounts. The position risk of any Clearing Member shall mean the amount of initial margin, required from such Clearing Member, exclusive of Option liquidating value, as calculated by the Corporation.

(b) The limit on position risk for each Clearing Member and account will be determined at the Corporation's discretion and may take into account the Corporation's evaluation of the financial and operational capacity of the Clearing Member and such other factors as the Corporation at its discretion deems appropriate.

(c) Breach of Limits on Position Risk

(i) If a Clearing Member exceeds its limits on position risk, the Corporation may, at its discretion: (A) require a Clearing Member to provide information to the Corporation in respect of any of its positions; (B) require a Clearing Member to allocate, transfer or terminate such Contracts or close out its open position in any affected account to the extent necessary to reduce its open position so as to meet its limit on position risk within such time as the Corporation may prescribe; (C) make an additional call for such Margin as the Corporation in its discretion determines; and/or (D) impose such additional Capital requirements on the Clearing Member as the Corporation in its discretion determines.

(ii) If the Clearing Member fails to comply with any requirement imposed on it pursuant to Rule 208(a), the Clearing Member shall be in breach of these Rules and, without limitation, the Corporation may, at its discretion, in respect of the Clearing Member concerned: (A) declare an Event of Default; (B) terminate or suspend membership of the Clearing Member; (C) terminate such Contracts as the Corporation at its discretion selects on behalf of the Clearing Member; (D) instigate an investigation or disciplinary proceeding

under Part 9 of these Rules; and/or (E) impose such other requirements on the Clearing Member as it sees fit.

Rule 209. Indemnification by Clearing Members

(a) If any action or proceeding is brought or threatened against the Corporation or any person entitled to be indemnified by the Corporation pursuant to Section 6.1 or Section 6.2 of the By-Laws (such persons being collectively referred to as "Officials"), claiming, directly or indirectly, in whole or in part, that the Corporation or such Official has failed, neglected or omitted to prevent, detect or require any conduct by a Clearing Member or by an Affiliated Person of a Clearing Member, which conduct or lack thereof is alleged to constitute a violation of the Act, any other federal or state law, any Commission Regulation, any rule of any Self-Regulatory Organization, or any Corporation By-Law or Rule, such Clearing Member shall indemnify and hold harmless the Corporation and each such Official from and against all loss, liability, damage and expense (including but not limited to attorneys' fees, expenses of investigating such claim, judgments and amounts paid in settlement) incurred by or asserted against the Corporation or any such Official in or in connection with any such legal proceeding.

(b) If any action or proceeding is brought against the Corporation or an Official which could result in indemnification by a Clearing Member pursuant to subsection (a) of this Rule:

(i) Such party shall promptly give such Clearing Member notice thereof in writing.

(ii) Neither the Corporation nor any such Official may settle a claim to the extent it seeks the recovery of money damages without the prior consent of such Clearing Member; provided that if such Clearing Member does not consent to any proposed settlement within ten (10) days following the date it receives written notice of the terms of such settlement, the Corporation or such Official may require such Clearing Member to post such security for the payment of its indemnification obligations to the Corporation or such Official as the Corporation or such Official deems necessary, but not in excess of the money damages claimed plus interest and anticipated expenses.

Rule 210. [RESERVED]

Rule 211. [RESERVED]

Rule 212. Withdrawal of Clearing Members

(a) The following terms will have the indicated meanings:

Contribution Return Date

The meaning specified in Rule 212(b)(vii).

Withdrawal Close-Out Deadline Date

(i) Unless clause (ii) ~~or (iii)~~ applies, in respect of the termination of Clearing Member status of a Clearing Member, the date falling 30 Business Days after the Withdrawal Notice Time (or, if the Corporation has terminated the Clearing Member's status, the date so designated by the Corporation); (ii) in respect of termination of clearing membership under paragraph (d) of Rule 303, the date falling 20+x Business Days after the Withdrawal Notice Time where x= the total number of unexpired Business Days in the Cooling-off Termination Period; or (iii) notwithstanding (i) and (ii), in any case, such later date as the Corporation may at its discretion permit and notify in writing to the affected Clearing Member.

Withdrawal Date

In respect of the termination of Clearing Member status for a Withdrawing Clearing Member, the later of (i) where applicable, the Withdrawal Close-Out Deadline Date and (ii) the date as of which all of the Withdrawing Clearing Member's open positions in respect of its house and customer accounts have been terminated or closed out in full and all obligations of the Withdrawing Clearing Member in respect thereof have been satisfied and performed in full.

Withdrawal Notice Time

The time of service by a Clearing Member of a Withdrawal Notice.

Withdrawal Notice

A notice served by the Clearing Member on the Corporation under the Rules indicating that such Clearing Member intends to withdraw from being a Clearing Member (and thereby becomes a Withdrawing Clearing Member).

(b) A Clearing Member that has delivered a Withdrawal Notice (including under paragraph (d) of Rule 303) or (if so designated by the Corporation) that is otherwise terminated is subject to the following requirements, obligations and provisions:

(i) it must use all reasonable endeavors, unless and until such time as a Corporation Default occurs, to close out all of its open positions prior to the Withdrawal Close-Out Deadline Date;

(ii) if it provided its Withdrawal Notice during a Cooling-off Termination Period and it closes out all of its open positions prior to the Withdrawal Close-Out Deadline Date and complies with the other requirements of this Rule 212, it shall maintain the benefit of the protections set out in paragraph (c) of Rule 303, ~~if then applicable, and such provisions shall continue in effect for such Clearing Member~~ following the end of the Cooling-off Period;

(iii) after the Withdrawal Notice Time, it shall only be entitled to submit transactions for clearing which it can demonstrate have the overall effect of reducing open positions in any Contracts or risks to the Corporation associated with the Contracts, whether by hedging, novating, transferring, terminating, liquidating or otherwise closing out such Contracts;

(iv) the Corporation may call for additional initial margin until such time as all of ~~its~~such Clearing Member's open positions have been terminated, and such Clearing Member shall provide such additional initial margin to the Corporation as is requested in a timely manner;

~~(v) except as provided in clause (vi) below, there shall be no rebalancing, re-setting or recalculation of the Guaranty Fund Deposit Requirement or the total required amount of Replenishments or Assessments of the Clearing Member that has served a Withdrawal Notice;~~

(v) it shall be obligated to participate in Default Auctions (if any) in the same manner as any other Clearing Member that is not a Defaulting Clearing Member and subject to the provisions of the Rules in respect of all Monetary Defaults occurring prior to or during the Cooling-off Period during which it served its Withdrawal Notice (or, if Rule 303(e) does not apply, all Monetary Defaults occurring prior to the Withdrawal Notice Time). For the avoidance of doubt, failure to participate in such Default Auctions shall have the consequences (if any) set forth in the applicable Default Auction Procedures, and will not

otherwise constitute an Event of Default by the Withdrawing Clearing Member or failure to perform its obligations under this Rule 212;

(vi) if it has any open positions with the Corporation (whether customer or house positions) after the Withdrawal Close-Out Deadline Date (and notwithstanding any provision in this Part 2 of the Rules to the contrary), the Clearing Member shall as from the Withdrawal Close-Out Deadline Date until its Withdrawal Date:

(A) become liable to make any Replenishments or Assessments that would have fallen due but has not been paid and become liable to have applied any contribution to the Guaranty Fund that would have been applied but was not so applied, in each case to the extent that the same would have been payable or applied but for its service of a Withdrawal Notice and in each case in respect of any Monetary Default affecting a Clearing Member that has occurred subsequent to the Withdrawal Notice Time;

(B) become liable for further obligations to have any contributions to the Guaranty Fund applied or pay Assessments in the same way as any other Clearing Member in respect of any Monetary Default occurring prior to the Withdrawal Date; and

(C) be subject to the Corporation exercising rights under Part 8 of the Rules to liquidate or transfer the open positions of the Clearing Member and otherwise deal with the Clearing Member's Contracts and property in the same way as if the Clearing Member were a Defaulting Clearing Member.

(vii) following termination of all open positions to which a Withdrawing Clearing Member was party in relation to its house and customer accounts and satisfaction in full by such Withdrawing Clearing Member of all obligations in respect thereof, the Corporation shall return the Withdrawing Clearing Member's unused contributions to the Guaranty Fund and any unused Withdrawal Deposit, as well as any other assets of the Withdrawing Clearing Member not previously returned on the date (the "Contribution Return Date") that is 60 days after the Withdrawing Clearing Member's Withdrawal Date, or such earlier date as is determined by the Corporation.

Notwithstanding anything in these Rules or the By-Laws:

(1) the Corporation may at its discretion return amounts due to the Withdrawing Clearing Member in different currencies or by way of transfer or return of non-cash margin to the Withdrawing Clearing Member;

(2) the Corporation may further pay any net amount payable to the Withdrawing Clearing Member in different amounts denominated in different currencies and is not required to pay a single sum in one currency; and

(3) the Corporation may make partial payment of any amounts due excluding the Guaranty Fund contribution prior to the time specified in this Rule 212; and

(c) If:

(i) a Clearing Member has served a Withdrawal Notice under paragraph (d) of Rule 303; and

(ii) there is a Monetary Default or are Monetary Defaults before the relevant Withdrawal Date; as well as any additional Monetary Default described in Rule 302(i)(iii), then the Clearing Member in question shall remain liable for the application of any then unapplied Guaranty Fund contributions and unapplied Assessments (including those paid or which the Clearing Member is liable to pay) for all such Monetary Defaults (as if all such Monetary Defaults had been declared by the Corporation prior to the Withdrawal Notice

Time), subject to the general limits relating to particular Monetary Defaults and all Monetary Defaults referred to in Rule 302, Rule 303 and Rule 212.

(d) ~~Any~~Except as otherwise agreed by the Corporation in its discretion, any Withdrawal Notice issued by a Clearing Member shall be irrevocable by the Clearing Member and membership may only be reinstated pursuant to a new application for membership following the close-out of all its open Contracts.

(e) A Clearing Member whose membership has terminated shall, following the Withdrawal Date, cease to be liable for Replenishments or Assessments under Rule 301 or Rule 302 in respect of Monetary Defaults that occur after the Withdrawal Date. Upon the return of its unused contribution to the Guaranty Fund under Rule 212(b)(vii), a Withdrawing Clearing Member shall have no further obligation to make contributions to the Guaranty Fund (including Assessments).

(f) This Rule 212 shall not apply to a Defaulting Clearing Member.

(g) In the event of a Financial Emergency ~~(as defined in the Rules)~~, or otherwise at the discretion of the Board, a Clearing Member that gives a Withdrawal Notice (other than during a Cooling-off Termination Period) may be required by the Corporation ~~immediately upon~~by the opening of business on the Business Day following delivery of the Withdrawal Notice to provide Assessments in an amount not to exceed 550% of its Guaranty Fund Deposit Requirement (as in effect immediately prior to the Withdrawal Notice Time), such amounts to be held by the Corporation until the Withdrawal Date and applied only as permitted in accordance with Part 2 or 3 of ~~the these~~ Rules ~~or Article V of the By-Laws~~ (a "**Withdrawal Deposit**"). Any references in these Rules or the By-Laws to Assessments being called or to Guaranty Fund Deposit Requirements to the Guaranty Fund being replenished or applied, in respect of a Clearing Member which has provided such a Withdrawal Deposit, shall be interpreted as a reference to such Withdrawal Deposit being applied in satisfaction of such requirements, and a Clearing Member that has served a Withdrawal Notice and made such Withdrawal Deposit shall not be liable for any further Assessments, regardless of how many Monetary Defaults take place (subject to the proviso to paragraph (c) of Rule 303).

Rule 213. Termination of Clearing Membership

(a) A Clearing Member shall cease to be a Clearing Member:

(i) Upon the termination of its status as a Clearing Member pursuant to Part 9 of these Rules; or

(ii) If it submits a Withdrawal Notice in accordance with Rule 212, upon the satisfaction of its obligations and occurrence of its Withdrawal Date under Rule 212.

(b) Intentionally omitted.

(c) Intentionally omitted.

(d) A Person which is a Clearing Member of more than one Exchange may, subject to the satisfaction of the conditions set forth in this Rule 213 ~~and the By-Laws~~, withdraw as a Clearing Member of one or more such Exchanges while remaining as a Clearing Member of any other Exchange.

(e) A Person which for any reason ceases to be a Clearing Member shall remain and continue to be:

(i) subject to any investigations or proceedings pursuant to Part 9 of these Rules of which the Clearing Member receives notice within six months after ceasing to be a Clearing Member;

(ii) obligated to pay all fees, fines or other charges imposed on such Clearing Member by the Corporation, as a result of Contracts cleared or other obligations entered into or incurred prior to the termination of such membership;

(iii) subject to claims against its Guaranty Fund deposit until the Corporation returns such deposit as provided in paragraph (i) of Rule 301 subject to Rule 303 and Rule 212;

(iv) obligated to pay any assessment for which it is responsible, as provided in Rule 302; and

(v) obligated to the Corporation and other Clearing Members for all Contracts cleared and all obligations entered into or incurred prior to the termination of such membership.

Rule 214. Reporting

~~(a) Each Clearing Member shall file with the Corporation:~~

~~(i) a financial statement in the form prescribed in paragraph (b) of this Rule 214 within 90 days after the end of such Clearing Member's fiscal year, together with a summary description in reasonable detail of the procedures policies and systems referred to in Rule 204(h) which were maintained by such Clearing Member during such fiscal year and a financial statement in the form prescribed in paragraph (b) of this Rule within 17 business days after the end of each month of such Clearing Member's fiscal year; and~~

~~(ii) a copy of each financial statement, financial report, or notice pursuant to Commission Regulation 1.12, Securities and Exchange Commission Rule 17a-11, FINRA Rule 3070 or similar rules, which it files with the Commission, any Self-Regulatory Organization, any national securities exchange or any clearing organization of which it is a member or member firm, or any other federal regulatory organization having jurisdiction over such Clearing Member, at the same time it files such statement or report with any such body, and if such statement or report is other than a routine periodic statement or report required under the by-laws, rules or regulations of such entity, such copy shall be accompanied by a written statement setting forth (to the extent known) the reasons why such Clearing Member is filing such statement or report.~~

~~(b) The financial statements required by subparagraph (a)(i) of this Rule 214 shall be in the form adopted by the Commission for use by futures commission merchants (currently Commission Form 1-FR) or FOCUS Report Part II.~~

~~The financial statement for the fiscal year of a Clearing Member which is an Entity shall be certified by an independent public accountant, and the monthly financial statements shall be certified by the president, the chief financial officer or a general partner of the Clearing Member. The financial statements of a Clearing Member which is an individual shall be certified by such Person or Persons, in such manner, as the Board may prescribe.~~

~~A Clearing Member which elects to file a FOCUS Report Part II pursuant to this Rule 214(b) or in response to a request of the Board pursuant to paragraph (d) of this Rule 214 may not thereafter file a financial statement in the form adopted by the Commission for use by a futures commission merchant unless it obtains the prior consent of the Corporation.~~

~~A Clearing Member which elects to file a financial statement in the form adopted by the Commission for use by a futures commission merchant may subsequently elect to file a FOCUS Report Part II, provided that the first FOCUS Report Part II filed by such Clearing Member shall be accompanied by a statement reconciling the Clearing Member's adjusted net capital as shown on the FOCUS Report Part II with the adjusted net capital which would have been shown had it filed a financial statement for the same period in the form adopted by the Commission for use by a futures commission merchant.~~

~~(c) Each Clearing Member shall notify the Corporation in writing:~~

~~(i) If not registered with the Securities and Exchange Commission as a Broker-Dealer, when~~

~~(A) its Capital declines from that shown on the latest financial statement filed by it with the Corporation for any reason by 20% or more, or by an amount which reduces its Permitted Position Risk. Such notification shall be given not later than two (2) Business Days following the event requiring such notification; and~~

~~(B) any payment, loan or distribution to, or redemption of any outstanding shares of stock or other equity interest held by, any shareholder, partner, member, beneficiary or other holder of any equity interest of the Clearing Member will have the effect of reducing the Capital of such Clearing Member by more than 30% from that shown on the latest financial statement filed by it with the Corporation for any reason. Such notification shall be given at least two (2) Business Days prior to any such payment, loan, distribution or redemption and shall include the amount thereof, a balance sheet of the Clearing Member as of the last business day of the month prior to the month in which the same is to be made (certified by the president, the chief financial officer or a general partner of the Clearing Member) and a description of the effect that the same will have on the Capital of the Clearing Member.~~

~~(ii) If registered with the Securities and Exchange Commission as a Broker-Dealer, when~~

~~(A) its tentative net capital (as defined in the rules of the Securities and Exchange Commission) declines from that shown on the latest financial statement filed by it with the Corporation for any reason by 20% or more, or by an amount which reduces its Permitted Position Risk. Such notification shall be given not later than two (2) Business Days following the event requiring such notification.~~

~~(B) any payment, loan or distribution to, or redemption of any outstanding shares of stock or other equity interest held by, any shareholder, partner, member, beneficiary or other holder of any equity interest of the Clearing Member will have the effect of reducing the ~~excess~~ net capital (as defined in the rules of the Securities and Exchange Commission) of such Clearing Member by more than 30% from that shown on the latest financial statement filed by it with the Corporation for any reason. Such notification shall be given at least two (2) Business Days prior to any such payment, loan, distribution or redemption and shall include the amount thereof, a balance sheet of the Clearing Member as of the last business day of the month prior to the month in which the same is to be made (certified by the president, the chief financial officer or a general partner of the Clearing Member) and a description of the effect that the same will have on the Capital of the Clearing Member.~~

~~(iii) Upon the occurrence of any financial or business development that could materially affect the ability of the Clearing Member to comply with its obligations as a Clearing Member.~~

~~(d) Each Clearing Member shall file with the Corporation such financial or other information, in addition to what is explicitly required by this Rule 214, as may be requested by the Corporation from time to time.~~

~~(e) The qualifications and reports of accountants for Clearing Members must meet the requirements set forth in Commission Regulations and must be satisfactory to the Board.~~

~~(f) In the event that any Clearing Member (i) fails to meet any obligation to deposit or pay any margin or option premium when and as required by any clearing organization of which it is a member, (ii) fails to be in compliance with any applicable financial requirements of the Commission, any Self-Regulatory Organization, any securities exchange or clearing organization, (iii) becomes the subject of a bankruptcy petition, receivership proceeding or the equivalent, or (iv) becomes subject to statutory disqualification under Section 8a(2) or (3) of the Act or other applicable CFTC regulations or is subject to a fine or other sanction imposed by the Commission or any Self-Regulatory Organization, such Clearing Member shall immediately so advise the Corporation both telephonically and in writing.~~

Rule 215. Requirements for Subordinated Loan Agreements

Each subordinated loan agreement which, when executed, is to be included in determining the Capital of a Clearing Member, shall be in the form of either a cash subordinated loan agreement or a secured demand note and collateral agreement (a "**Subordination Agreement**") and:

(a) shall contain provisions to the effect that:

(i) all obligations of the Clearing Member with respect to the payment of principal and interest under the Subordination Agreement shall be subordinated to the payment in full of all obligations to other present and future creditors of the Clearing Member arising out of any matter occurring prior to the maturity of the Subordination Agreement, other than obligations which are the subject of subordination agreements which rank on the same priority as or junior to the Subordination Agreement;

(ii) the Subordination Agreement has a minimum term of one year, except for temporary subordination agreements permitted by Commission Regulation 1.17(h)(3)(v) as in effect from time to time;

(iii) immediate written notice will be given to the Corporation if the collateral pledged to secure a secured demand note is less than the unpaid principal amount of and interest accrued under the note;

(iv) prior consent of the Corporation is required for prepayment and for any cancellation, revocation, termination or modification of the Subordination Agreement; provided, however, that a Clearing Member which is a futures commission merchant registered as such with the Commission, in lieu of obtaining prior written Corporation consent, may provide to the Corporation a copy of the written consent thereto by the designated self-regulatory organization for such Clearing Member; and

(v) prior written notice will be given to the Corporation no sooner than six (6) months after the effective date of the Subordination Agreement if the maturity of payment (in whole or in part) under the Subordination Agreement is accelerated;

(b) shall be submitted to the Corporation ~~for its approval~~ at least ten days prior to the proposed effective date thereof; and

(c) if such Subordination Agreement is for a Clearing Member which is a futures commission merchant, shall have been approved by the designated self-regulatory organization for such Clearing Member as being in compliance with Commission Regulation 1.17 as in effect at the time.

Rule 216. Fees

~~The Corporation shall have the right to instruct each Approved Financial Institution to debit a house margin account maintained by each Clearing Member, and/or any other non-~~

~~customer account designated by such Clearing Member for purposes of this Rule, for any payment of fees, charges or other amounts (other than fines or penalties) due to the Corporation or due to any Exchange (if and to the extent the Corporation shall be acting as a collection agent for the Exchange).~~

Rule 217. Position Risk

~~(a) The Corporation will be entitled at its discretion to establish, amend or revoke limits on position risk for Clearing Members or in respect of particular accounts. The position risk of any Clearing Member shall mean the amount of initial margin, required from such Clearing Member, exclusive of Option liquidating value, as calculated by the Corporation.~~

~~(b) The limit on position risk for each Clearing Member and account will be determined at the Corporation's discretion and may take into account the Corporation's evaluation of the financial and operational capacity of the Clearing Member and such other factors as the Corporation at its discretion deems appropriate.~~

(c) Breach of Limits on Position Risk

~~(i) If a Clearing Member exceeds its limits on position risk, the Corporation may, at its discretion: (A) require a Clearing Member to provide information to the Corporation in respect of any of its positions; (B) require a Clearing Member to allocate, transfer or terminate such Contracts or close out its open position in any affected account to the extent necessary to reduce its open position so as to meet its limit on position risk within such time as the Corporation may prescribe; (C) make an additional call for such Margin as the Corporation in its discretion determines; and/or (D) impose such additional Capital requirements on the Clearing Member as the Corporation in its discretion determines.~~

~~(ii) If the Clearing Member fails to comply with any requirement imposed on it pursuant to Rule 217(a), the Clearing Member shall be in breach of these Rules and, without limitation, the Corporation may, at its discretion, in respect of the Clearing Member concerned: (A) declare an Event of Default; (B) terminate or suspend membership of the Clearing Member; (C) terminate such Contracts as the Corporation at its discretion selects on behalf of the Clearing Member; (D) instigate an investigation or disciplinary proceeding under Part 9 of the Rules; and/or (E) impose such other requirements on the Clearing Member as it sees fit.~~

Rule 218. Indemnification by Clearing Members

~~(a) If any action or proceeding is brought or threatened against the Corporation or any person entitled to be indemnified by the Corporation pursuant to Section 6.1 or Section 6.2 of the By-Laws (such persons being collectively referred to as "Officials"), claiming, directly or indirectly, in whole or in part, that the Corporation or such Official has failed, neglected or omitted to prevent, detect or require any conduct by a Clearing Member or by an Affiliated Person of a Clearing Member, which conduct or lack thereof is alleged to constitute a violation of the **Commodity Exchange** Act, any other federal or state law, any Commission Regulation, any rule of any Self-Regulatory Organization, or any By-Law or Rule, such Clearing Member shall indemnify and hold harmless the Corporation and each such Official from and against all loss, liability, damage and expense (including but not limited to attorneys' fees, expenses of investigating such claim, judgments and amounts paid in settlement) incurred by or asserted against the Corporation or any such Official in or in connection with any such legal proceeding.~~

~~(b) If any action or proceeding is brought against the Corporation or an Official which could result in indemnification by a Clearing Member pursuant to subsection (a) of this Rule 218:~~

~~(i) Such party shall promptly give such Clearing Member notice thereof in writing.~~

~~(ii) Neither the Corporation nor any such Official may settle a claim to the extent it seeks the recovery of money damages without the prior consent of such Clearing Member; provided that if such Clearing Member does not consent to any proposed settlement within ten (10) days following the date it receives written notice of the terms of such settlement, the Corporation or such Official may require such Clearing Member to post such security for the payment of its indemnification obligations to the Corporation or such Official as the Corporation or such Official deems necessary, but not in excess of the money damages claimed plus interest and anticipated expenses.~~