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Lisa Dunsky
Director and Associate General Counsel
Legal Department

July 6, 2011

BY ELECTRONIC FILING

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Revisions to Various Rules in Chapters 4, 8, 8A, 9 and 8D
CME/CBOT/NYMEX Submission #11-259**

Dear Mr. Stawick:

Pursuant to Commission Regulation 40.6, Chicago Mercantile Exchange Inc. ("CME"), the Chicago Board of Trade, Inc. ("CBOT") and New York Mercantile Exchange, Inc. ("NYMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission that they will adopt revisions to CME Rules 403.A, 802.A, 957 and Chapter 8D; CBOT Rules 403.A, 802.A and 957; and NYMEX Rules 403.A, 802.A, 800, 808, 901 and 957. The revisions will become effective on July 8, 2011.

The rule revisions, which are reflected in the attached document (with additions underlined and deletions struck through), fall into the following categories:

1. Rules 403.A and 802.A are being amended to remove references to Class A and/or B shares (which, pursuant to other recent rule amendments that were the subject of a separate submission, are no longer required for clearing membership).
2. Rule 957 is being amended to better reflect the different types of information that may be required on confirmations to customers, not only for futures and options on futures, but for OTC swaps.
3. CME Chapter 8D is being removed to reflect the fact that the Dodd-Frank Act eliminated exempt boards of trade from the Commodity Exchange Act.
4. NYMEX Rules 800 and 808 are being amended to include references to the Green Exchange, LLC.
5. NYMEX Rule 901 is being amended to remove references to ClearPort Trading (which has not been in use for some time).

Mr. David Stawick

July 6, 2011

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The Exchanges hereby certify that the rule amendments described herein and attached hereto comply with the Commodity Exchange Act and regulations promulgated thereunder. Should you have any questions regarding this submission, please contact me at (312) 338-2483 or via e-mail at lisa.dunsky@cmegroup.com. Please reference our Submission No. 11-259 in any related correspondence.

Sincerely,

/s/ Lisa Dunsky
Director and Associate General Counsel

CME Rulebook Amendments

Chapter 4. Enforcement of Rules

403. CLEARING HOUSE RISK COMMITTEE

403.A. Jurisdiction and General Provisions

The Clearing House Risk Committee (or any subcommittee thereof) (collectively, "CHRC"), shall determine whether an applicant satisfies the qualifications for status as a Clearing Member. The CHRC decision shall be subject to appeal to the Board by an applicant. The CHRC may adopt regulations regarding qualifications for admission to membership in the Clearing House, which regulations, when approved by the Board, shall have the same effect as Rules of the Exchange. The CHRC shall act upon applications for clearing membership and applications for assignment of ~~Class A Shares, trading rights and related Class B Shares~~ for clearing purposes. Applications for clearing membership and for assignment of ~~Class A Shares, trading rights and related Class B Shares~~ for clearing purposes, when approved by the CHRC, shall be effective and thereafter ratified by the Board.

The CHRC shall have at least two co-chairmen, who shall be members of the Board, and at least seven additional individuals, five who shall be Clearing Member representatives and at least one who shall be a non-member.

The CHRC may conduct investigations, issue charges and consider offers of settlement on its own initiative or by referral from Exchange staff, the PCC, or the BCC. Hearings on charges issued by the CHRC will be conducted by the BCC pursuant to the provisions of Rule 408.

If the CHRC determines that a Clearing Member is in a financial condition which jeopardizes or may jeopardize the integrity of the Exchange, the CHRC may, by majority vote:

1. Order the Clearing Member or its customers to deposit such additional performance bond with the Clearing House as deemed appropriate to protect the integrity of open contracts;
2. Prescribe such additional capital or other financial requirements as it deems appropriate;
3. Impose position limits on Clearing Members based on their regulatory capital and such other criteria as it deems appropriate;
4. Suspend a Clearing Member, subject to approval of any two of the following individuals: the Chief Executive Officer, the President, the President of the Clearing House, the Chairman of the Board, the Chairman of the CHRC or the Chief Operating Officer; and/or
5. Order the Clearing Member to cease and desist from the conduct found to be contrary to the best interests of the Exchange.

No person shall serve on the CHRC unless he has agreed in writing that he will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or entity or any other information which may come to his attention in his official capacity as a member of the CHRC, except when reporting to the Board or to a committee concerned with such information or to the Legal Department, Audit Department or Market Regulation Department, when requested by the CFTC or other governmental agency or when compelled to testify in any judicial or administrative proceeding.

All information and documents provided to the CHRC and all deliberations and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law.

The CHRC shall have jurisdiction to enforce Rules pertaining to the following:

1. Financial integrity of Clearing Members; and
2. Business conduct of and compliance with Exchange Rules by Clearing Members and by any Member who is an officer or a principal or who has assigned his membership on behalf of a Clearing Member, in connection with such Clearing Member's activities, except insofar as jurisdiction over matters relating to conduct, trading practices, trading ethics and certain sales practices of Members, and market manipulations or other actions that threaten the integrity of the market are within the purview of the BCC.

Notwithstanding anything to the contrary herein, the jurisdiction of the CHRC shall not extend to IRS Products or IRS Clearing Members in such capacity when clearing IRS Products. The IRS Risk Committee shall have jurisdiction over IRS Products and IRS Clearing Members in such capacity when clearing IRS Products pursuant to the IRS Risk Committee's charter.

Chapter 8. Clearing House and Performance Bonds

802. PROTECTION OF CLEARING HOUSE

802.A. Default by Clearing Member or Other Participating Exchanges

The Clearing House shall establish a single guaranty fund. Each clearing member shall contribute to the guaranty fund in accordance with the requirements of Rule 816. A clearing member's guaranty fund contribution may be applied by the Clearing House in accordance with this Rule 802 to mitigate a Loss (as defined below) to the Clearing House attributable to any cleared Product Class (as defined below) regardless of the Product Classes a clearing member clears. However, in order to accommodate differences in time frames and processes associated with the liquidation of certain Product Classes, Losses will be allocated among a set of guaranty fund tranches established to reflect the relative contributions of different product classes to the total guaranty fund. For example, to the extent that a loss to the Clearing House is attributable to CDS positions, the guaranty fund contributions related to CDS risks will be subject to application prior to guaranty fund contributions allocated to other tranches. Notwithstanding this prioritization of the Clearing House's recourse, ultimately the entire guaranty fund will be available if necessary to satisfy all losses regardless of Product Class.

1. Default by Clearing Member

If a clearing member of CME, CBOT, NYMEX, COMEX, or an OTC Clearing Member, fails promptly to discharge any obligation to the Clearing House, it shall be in default. For purposes of this Rule 802, each default by a clearing member will be considered a separate default event, provided that if a clearing member has been declared in default, subsequent failures to pay by such defaulting clearing member shall not be considered separate default events unless and until the original default has been fully resolved and such clearing member has been restored to good standing.

2. Defaulting Clearing Member's Collateral

If a clearing member defaults, its guaranty fund contribution (pursuant to Rule 816), its performance bonds on deposit with the Clearing House, the proceeds of the sale of any membership and ~~Class A Shares~~ assigned to it for clearing qualification, and any of its other assets held by, pledged to or otherwise available to the Clearing House, shall be applied by the Clearing House to discharge the clearing member's obligation to the Clearing House. The defaulting clearing member shall take no action, including but not limited to attempting to obtain a court order, that would interfere with the ability of the Clearing House to so apply such assets and proceeds.

If the guaranty fund contribution, performance bond and other assets of a clearing member available to the Clearing House are insufficient to satisfy all of its obligations to the Clearing House, including all claims against the Clearing House by reason of its substitution for that clearing member pursuant to Rule 804 or Rule 8F05, the Clearing House shall nonetheless pay all such claims, which payments by the Clearing House shall be deemed a loss to it (hereinafter "Loss") and which shall be a liability of the defaulting clearing member to the Clearing House, which the Clearing House may collect from any other assets of such clearing member or by process of law.

For purposes of this Rule, the positions in the cross-margin account of a Participating Clearing Member or its Cross-Margining Affiliate at a Cross-Margining Clearing Organization, and the performance bond thereon, shall be considered assets of the Participating Clearing Member available to the Clearing House to the extent provided in the Cross-Margining Agreement between the Clearing House and such Cross-Margining Clearing Organization. A clearing member in default shall immediately make up any deficiencies in its guaranty fund contribution resulting from such default and in any event no later than the close of business on the banking day following demand by the Clearing House.

3. Default by Other Participating Exchanges or Partner Clearinghouses

If a Participating Exchange or Partner Clearinghouse fails to promptly discharge any obligation to the Clearing House arising out of its obligations to the Exchange, such Participating Exchange's or Partner Clearinghouse's letters of credit, performance bonds and other assets available to the Clearing House shall be applied by the Clearing House to discharge the obligation, pursuant to the procedures set forth below in Rule 802.A.5 with respect to a defaulting clearing member. If such resources are insufficient to satisfy the Participating Exchange's or Partner Clearinghouse's obligations to the Clearing House, the deficiency shall be considered a Loss that is subject to satisfaction pursuant to Rule 802.B.

4. Allocation of Guaranty Fund into Tranches

The guaranty fund shall be composed of the required guaranty fund contributions of clearing members pursuant to Rule 816, or any comparable security deposit contributions from a Participating Exchange or Partner Clearinghouse. The Clearing House shall allocate the guaranty fund into tranches as follows:

- i. The Base Product Class. Product classes that are not associated with the CDS Tranche or an Alternate Tranche as described below shall comprise the Base Product Class. The first 80% of guaranty fund amounts contributed with respect to the Base Product Class shall be the "Base Tranche".
- ii. The CDS Product Class. CDS products described in Chapter 80000 shall comprise the CDS Product Class. The first 80% of guaranty fund amounts contributed with respect to the CDS Product Class shall be the "CDS Tranche".
- iii. Alternate Product Classes. Any other product class approved by the Clearing House Risk Committee to support a product-specific guaranty fund tranche hereunder shall comprise an Alternate Product Class. The first 80% of guaranty fund amounts contributed with respect to each such an Alternate Product Class shall be an "Alternate Tranche".
- iv. Commingled Tranche. The remaining 20% of guaranty fund amounts contributed with respect to all of the foregoing Product Classes shall be the "Commingled Tranche".

As set forth below in 802.B, if the collateral of the defaulting clearing member, as described in Rule 802.A.2, Participating Exchange or Partner Clearinghouse is insufficient to satisfy its obligation to the Clearing House, the Tranche associated with a particular Product Class will be the Tranche first applied to reimburse the Clearing House for Losses attributable to that Product Class, as determined in accordance with Rule 802.A.5, (i.e., the Base Tranche will first be applied to Losses attributed to the Base Product Class, and the CDS Tranche will first be applied to Losses attributed to the CDS Product Class). The guaranty fund requirements of

clearing members for purposes of allocation of such amounts into the Tranches shall be the required amounts in effect for each clearing member at the time of the default.

5. Apportionment Among Product Classes; Application of Defaulting Clearing Member's Collateral

Upon a default, the Clearing House shall apply the defaulting clearing member's collateral to the deficiency in accordance with the following procedures:

i. Initial Allocation of Assets to Product Classes. Subject to the provisions of 802.G, as of the cycle in which the default occurs, the Clearing House shall allocate assets of the defaulting clearing member to the different Product Classes in which the clearing member has open positions as follows: (a) the defaulting clearing member's guaranty fund requirement associated with each Product Class shall be attributed to such Class, (b) the defaulting clearing member's required performance bond amounts for each Product Class as of the prior clearing cycle shall be allocated to such Class, (c) any CME shares (whether common shares or class B shares) or any cash posted in lieu of such shares, and (d) any of the defaulting clearing member's other assets held by, pledged to or otherwise available to the Clearing House shall be divided among the Product Classes in proportion to the defaulting clearing member's guaranty fund requirement.

ii. Management of Obligations for Cycle of Default. As of the cycle in which the default occurs, the Clearing House shall aggregate the following assets: any excess guaranty funds, any excess performance bond from the prior clearing cycle, any partial payment by the clearing member for the default cycle, and any other available assets of the clearing member that are not specific to a Product Class. Such unassigned assets shall be allocated first to any net settlement variation payment obligation of the defaulting clearing member to the Clearing House, pro rata across account classes relative to the net settlement variation payment obligation for each account class. If the unassigned funds so allocated are sufficient to satisfy the clearing member's immediate settlement variation payment obligations, any remaining unassigned funds shall be divided among the Product Classes, pro rata in proportion to the size of the performance bond requirements for each Product Class for the clearing cycle immediately prior to the default. If the unassigned funds are not sufficient to satisfy the clearing member's settlement variation payment obligations for the default cycle, then (i) the Clearing House shall apply the unassigned funds to such obligations, pro rata relative to the size of such obligations on a per-Product Class basis, and within each Product Class, pro rata across account classes, and (ii) the remaining settlement variation payment obligations for such clearing cycle shall be satisfied on a per-Product Class basis only from the assets allocated to the relevant Product Class pursuant to 802.A.5.i. If the Clearing House is unable to satisfy a settlement variation payment obligation attributable to any Product Class from such assets, the deficiency shall be a Loss that the Clearing House shall satisfy pursuant to the procedures in Rule 802.B. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account.

iii. Payment Obligations as Losses are Finalized. During any subsequent clearing cycles in which the Clearing House is managing and/or liquidating open positions in respect of the defaulting clearing member, the Clearing House shall satisfy any settlement variation payment obligations owed by the defaulting Clearing member to the Clearing House, or other realized losses of or expenses to the Clearing House with respect to the default, on a per-Product Class basis, only from the assets allocated to the relevant Product Class pursuant to 802.A.5.i. Any settlement variation gain to the defaulting clearing member in any Product Class during such subsequent clearing cycles shall be added to collateral allocated to such Product Class pursuant to 802.A.5.i. Any additional assets of the defaulting clearing member obtained by the

Clearing House during subsequent clearing cycles shall be divided among the Product Classes pro rata in proportion to the size of the performance bond requirements for each Product Class for the clearing cycle immediately prior to the default. The Clearing House shall apply such collateral to such payment obligations for all account classes, giving priority to customer account classes (i.e., customer accounts and proprietary accounts). If the Clearing House is unable to satisfy a settlement variation payment obligation to the Clearing House, or other realized loss or expense to the Clearing House, from the defaulting clearing member's collateral as set forth in this paragraph, the deficiency shall be a Loss that the Clearing House shall satisfy pursuant to the procedures in Rule 802.B. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account.

iv. Final determination of gain or deficiency for each Product Class. When the Clearing House determines the final net deficiency for a Product Class, it shall apply any remaining collateral of the defaulting clearing member with respect to such Product Class to satisfy the deficiency. If the Clearing House achieves a final gain, or if any excess collateral remains following satisfaction of a deficiency, the Clearing House shall allocate such excess funds to the defaulting clearing member's collateral for Product Classes within the same account class as to which a final gain or deficiency is yet to be determined, pro rata in proportion to the size of the performance bond requirements for such Product Classes for the clearing cycle immediately prior to the default. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account. Any gains or excess collateral within a segregated customer account class following final determination of the defaulting clearing member's losses shall remain segregated to the relevant customer account class, where it may be used to satisfy payment obligations arising from such account class in other Product Classes, but shall not be added to the clearing member's collateral generally.

Any remaining unsatisfied obligations of the defaulting clearing member shall become Losses to the Clearing House that shall be satisfied as set forth below.

Chapter 8D Exempt Board of Trade

PART I

(CME ALTERNATIVE MARKETPLACE INC.)

~~8D01. SCOPE OF CHAPTER~~

~~This chapter authorizes the Exchange to operate its wholly owned subsidiary, CME Alternative Marketplace Inc.TM, a Delaware corporation ("CME AM"), as an exempt board of trade ("EBOT"). The requirements relating to an EBOT are set forth in section 5d of the Act and Part 36 of the CFTC's regulations.~~

~~8D02. ELIGIBLE CONTRACT PARTICIPANTS~~

~~Trading on the EBOT is restricted to "eligible contract participants" ("ECP") as defined in section 1a (12) of the Act.~~

~~8D03. ELIGIBLE CLEARING MEMBERS~~

~~Clearing Members eligible to clear CME, CBOT or NYMEX products may clear Eligible Products traded on CME AM. For risk management purposes, however, the Clearing House may, in its sole discretion, prohibit a Clearing Member from clearing EBOT Eligible Products on CME AM.~~

~~8D04. ELIGIBLE PRODUCTS~~

~~The commodities eligible to be traded on CME AM are based on underlying commodities that have: 1) a nearly inexhaustible delivery supply; 2) a deliverable supply that is sufficiently large, and a cash market sufficiently liquid, to render any contract traded and the commodity highly unlikely to be susceptible to the threat of manipulation; 3) no cash market; or 4) any other commodities authorized by the CFTC.~~

~~8D05. NOTIFICATION~~

~~CME AM IS NOT REGISTERED WITH, OR RECOGNIZED, DESIGNATED, LICENSED OR APPROVED BY THE CFTC.~~

~~8D06. CLEARING FOR CME AM TRANSACTIONS~~

~~The CME Clearing House will provide clearing services for CME AM transactions in accordance with its standard operating policies and procedures and in conformity with CME Rules unless specifically provided otherwise in this Chapter.~~

~~8D07. CLEARING FOR PRIVATELY NEGOTIATED TRANSACTIONS~~

~~The CME Clearing House may provide clearing services for privately negotiated transactions in accordance with the Rules, policies and procedures of its privately negotiated clearing service offering.~~

~~8D08. COMPLIANCE WITH RULES~~

~~CME AM shall have the authority to conduct inquiries into activities on the EBOT in order to monitor and enforce compliance with any Rules that are applicable to the EBOT. Participants shall provide CME AM with information and access to their relevant records relating to their access to, or use of, the EBOT that may be requested by CME AM in connection with any such inquiry. It shall be a breach of this Rule for a Participant or any of its agents or affiliates to fail to answer questions~~

~~or produce records in connection with any such inquiry, or to knowingly make any misstatement of a material fact to CME AM or any of its representatives.~~

~~If CME AM reasonably believes that a breach of any applicable Rules has occurred, CME AM will determine what action to take, if any, which may include, but not be limited to, suspending, terminating, or restricting Participant's access to the EBOT.~~

~~8D09. PROHIBITED CONDUCT~~

~~It shall be a breach of this Rule for a Participant or its agents or affiliates:~~

- ~~(a) to use, or to attempt to use the EBOT, or to enter any instruction into the EBOT for the purpose or with the intention of defrauding or deceiving any other person in connection with or related to any transaction on, or other activity related to, the EBOT;~~
- ~~(b) to manipulate or attempt to manipulate prices in any CME AM product;~~
- ~~(c) to enter into an artificial transaction, or to cause a false or fictitious trade or price to be recorded on the EBOT;~~
- ~~(d) to accept from, or knowingly place for, the same beneficial owner simultaneous buy and sell orders or transactions for the same product with the intent to avoid a bona fide transaction; or~~
- ~~(e) to engage in an act or a course of conduct which is likely to damage the fairness or integrity of the EBOT.~~

PART II

(SWAPSTREAM OPERATING SERVICES LTD.)

~~8D10. SCOPE OF CHAPTER~~

~~This chapter authorizes the Exchange to operate its wholly-owned subsidiary, Swapstream Operating Services Ltd.™, a Delaware corporation ("SOS LTD"), as an exempt board of trade ("EBOT"). The requirements relating to an EBOT are set forth in section 5d of the Act and Part 36 of the CFTC's regulations.~~

~~8D11. ELIGIBLE CONTRACT PARTICIPANTS~~

~~Trading on the EBOT is restricted to "eligible contract participants" ("ECP") as defined in section 1a(12) of the Act.~~

~~8D12. ELIGIBLE CLEARING MEMBERS~~

~~Clearing Members eligible to clear CME and/or CBOT products may clear Eligible Products traded on SOS LTD. For risk management purposes, however, the Clearing House may, in its sole discretion, prohibit a Clearing Member from clearing EBOT Eligible Products on SOS LTD.~~

~~8D13. ELIGIBLE PRODUCTS~~

~~The commodities eligible to be traded on SOS LTD are based on underlying commodities that have: 1) a nearly inexhaustible delivery supply; 2) a deliverable supply that is sufficiently large, and a cash market sufficiently liquid, to render any contract traded and the commodity highly unlikely to be susceptible to the threat of manipulation; 3) no cash market; or 4) any other commodities authorized by the CFTC.~~

~~8D14. NOTIFICATION~~

~~SOS LTD IS NOT REGISTERED WITH, OR RECOGNIZED, DESIGNATED, LICENSED OR APPROVED BY THE CFTC.~~

~~8D15. CLEARING FOR SOS LTD TRANSACTIONS~~

~~The CME Clearing House will provide clearing services for SOS LTD transactions in accordance with its standard operating policies and procedures and in conformity with CME Rules unless specifically provided otherwise in this Chapter.~~

~~8D16. CLEARING FOR PRIVATELY NEGOTIATED TRANSACTIONS~~

~~The CME Clearing House may provide clearing services for privately negotiated transactions in accordance with the Rules, policies and procedures of its privately negotiated clearing service offering.~~

~~8D17. COMPLIANCE WITH RULES~~

~~SOS LTD shall have the authority to conduct inquiries into activities on the EBOT in order to monitor and enforce compliance with any Rules that are applicable to the EBOT. Participants shall provide SOS LTD with information and access to their relevant records relating to their access to, or use of, the EBOT that may be requested by SOS LTD in connection with any such inquiry. It shall be a breach of this Rule for a Participant or any of its agents or affiliates to fail to answer questions or produce records in connection with any such inquiry, or to knowingly make any misstatement of a material fact to SOS LTD or any of its representatives.~~

~~If SOS LTD reasonably believes that a breach of any applicable Rules has occurred, SOS LTD will determine what action to take, if any, which may include, but not be limited to, suspending, terminating, or restricting Participant's access to the EBOT.~~

~~8D18. PROHIBITED CONDUCT~~

~~It shall be a breach of this Rule for a Participant or its agents or affiliates:~~

- ~~(a) to use, or to attempt to use the EBOT, or to enter any instruction into the EBOT for the purpose or with the intention of defrauding or deceiving any other person in connection with or related to any transaction on, or other activity related to, the EBOT;~~
- ~~(b) to manipulate or attempt to manipulate prices in any SOS LTD product;~~
- ~~(c) to enter into an artificial transaction, or to cause a false or fictitious trade or price to be recorded on the EBOT;~~
- ~~(d) to accept from, or knowingly place for, the same beneficial owner simultaneous buy and sell orders or transactions for the same product with the intent to avoid a bona fide transaction; or~~
- ~~(e) to engage in an act or a course of conduct which is likely to damage the fairness or integrity of the EBOT.~~

Chapter 9. Clearing Members

957. CONFIRMATIONS TO CUSTOMERS

A clearing member shall confirm to the customer every transaction made for the customer no later than the following business day. Such confirmation shall be in electronic or written form and shall show facts relevant to the economic terms of the transaction, such as the commodity product bought or sold, the quantity, the price, the expiration, maturity date or the contract month/year (as applicable), and, for options, strike price, put or call and expiration-month.

CBOT Rulebook Amendments

Chapter 4. Enforcement of Rules

403. CLEARING HOUSE RISK COMMITTEE

403.A. Jurisdiction and General Provisions

The Clearing House Risk Committee (or any subcommittee thereof) (collectively, "CHRC"), shall determine whether an applicant satisfies the qualifications for status as a Clearing Member. The CHRC decision shall be subject to appeal to the Board by an applicant. The CHRC may adopt regulations regarding qualifications for admission to membership in the Clearing House, which regulations, when approved by the Board, shall have the same effect as Rules of the Exchange. The CHRC shall act upon applications for clearing membership and applications for assignment of ~~Class A Shares, trading rights and related Class B Shares~~ for clearing purposes. Applications for clearing membership and for assignment of ~~Class A Shares, trading rights and related Class B Shares~~ for clearing purposes, when approved by the CHRC, shall be effective and thereafter ratified by the Board.

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1. Order the Clearing Member or its customers to deposit such additional performance bond with the Clearing House as deemed appropriate to protect the integrity of open contracts;
2. Prescribe such additional capital or other financial requirements as it deems appropriate;
3. Impose position limits on Clearing Members based on their regulatory capital and such other criteria as it deems appropriate;
4. Suspend a Clearing Member, subject to approval of any two of the following individuals: the Chief Executive Officer, the President, the President of the Clearing House, the Chairman of the Board, the Chairman of the CHRC or the Chief Operating Officer; and/or
5. Order the Clearing Member to cease and desist from the conduct found to be contrary to the best interests of the Exchange.

No person shall serve on the CHRC unless he has agreed in writing that he will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or entity or any other information which may come to his attention in his official capacity as a member of the CHRC, except when reporting to the Board or to a committee concerned with such information or to the Legal Department, Audit Department or Market Regulation Department, when requested by the CFTC or other governmental agency or when compelled to testify in any judicial or administrative proceeding.

All information and documents provided to the CHRC and all deliberations and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law.

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Notwithstanding anything to the contrary herein, the jurisdiction of the CHRC shall not extend to IRS Products or IRS Clearing Members in such capacity when clearing IRS Products. The IRS Risk Committee shall have jurisdiction over IRS Products and IRS Clearing Members in such capacity when clearing IRS Products pursuant to the IRS Risk Committee's charter.

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2. Defaulting Clearing Member's Collateral

If a clearing member defaults, its guaranty fund contribution (pursuant to Rule 816), its performance bonds on deposit with the Clearing House, the proceeds of the sale of any membership ~~and Class A Shares~~ assigned to it for clearing qualification, and any of its other assets held by, pledged to or otherwise available to the Clearing House, shall be applied by the Clearing House to discharge the clearing member's obligation to the Clearing House. The defaulting clearing member shall take no action, including but not limited to attempting to obtain a court order, that would interfere with the ability of the Clearing House to so apply such assets and proceeds.

If the guaranty fund contribution, performance bond and other assets of a clearing member

available to the Clearing House are insufficient to satisfy all of its obligations to the Clearing House, including all claims against the Clearing House by reason of its substitution for that clearing member pursuant to Rule 804 or Rule 8F05, the Clearing House shall nonetheless pay all such claims, which payments by the Clearing House shall be deemed a loss to it (hereinafter "Loss") and which shall be a liability of the defaulting clearing member to the Clearing House, which the Clearing House may collect from any other assets of such clearing member or by process of law.

For purposes of this Rule, the positions in the cross-margin account of a Participating Clearing Member or its Cross-Margining Affiliate at a Cross-Margining Clearing Organization, and the performance bond thereon, shall be considered assets of the Participating Clearing Member available to the Clearing House to the extent provided in the Cross-Margining Agreement between the Clearing House and such Cross-Margining Clearing Organization. A clearing member in default shall immediately make up any deficiencies in its guaranty fund contribution resulting from such default and in any event no later than the close of business on the banking day following demand by the Clearing House.

3. Default by Other Participating Exchanges or Partner Clearinghouses

If a Participating Exchange or Partner Clearinghouse fails to promptly discharge any obligation to the Clearing House arising out of its obligations to the Exchange, such Participating Exchange's or Partner Clearinghouse's letters of credit, performance bonds and other assets available to the Clearing House shall be applied by the Clearing House to discharge the obligation, pursuant to the procedures set forth below in Rule 802.A.5 with respect to a defaulting clearing member. If such resources are insufficient to satisfy the Participating Exchange's or Partner Clearinghouse's obligations to the Clearing House, the deficiency shall be considered a Loss that is subject to satisfaction pursuant to Rule 802.B.

4. Allocation of Guaranty Fund into Tranches

The guaranty fund shall be composed of the required guaranty fund contributions of clearing members pursuant to Rule 816, or any comparable security deposit contributions from a Participating Exchange or Partner Clearinghouse. The Clearing House shall allocate the guaranty fund into tranches as follows:

- i. The Base Product Class. Product classes that are not associated with the CDS Tranche or an Alternate Tranche as described below shall comprise the Base Product Class. The first 80% of guaranty fund amounts contributed with respect to the Base Product Class shall be the "Base Tranche".
- ii. The CDS Product Class. CDS products described in Chapter 80000 shall comprise the CDS Product Class. The first 80% of guaranty fund amounts contributed with respect to the CDS Product Class shall be the "CDS Tranche".
- iii. Alternate Product Classes. Any other product class approved by the Clearing House Risk Committee to support a product-specific guaranty fund tranche hereunder shall comprise an Alternate Product Class. The first 80% of guaranty fund amounts contributed with respect to each such an Alternate Product Class shall be an "Alternate Tranche".
- iv. Commingled Tranche. The remaining 20% of guaranty fund amounts contributed with respect to all of the foregoing Product Classes shall be the "Commingled Tranche".

As set forth below in 802.B, if the collateral of the defaulting clearing member, as described in Rule 802.A.2, Participating Exchange or Partner Clearinghouse is insufficient to satisfy its obligation to the Clearing House, the Tranche associated with a particular Product Class will be the Tranche first applied to reimburse the Clearing House for Losses attributable to that Product Class, as determined in accordance with Rule 802.A.5, (i.e., the Base Tranche will first be applied to Losses attributed to the Base Product Class, and the CDS Tranche will first be applied to Losses attributed to the CDS Product Class). The guaranty fund requirements of clearing members for purposes of allocation of such amounts into the Tranches shall be the

required amounts in effect for each clearing member at the time of the default.

5. Apportionment Among Product Classes; Application of Defaulting Clearing Member's Collateral

Upon a default, the Clearing House shall apply the defaulting clearing member's collateral to the deficiency in accordance with the following procedures:

i. Initial Allocation of Assets to Product Classes. Subject to the provisions of 802.G, as of the cycle in which the default occurs, the Clearing House shall allocate assets of the defaulting clearing member to the different Product Classes in which the clearing member has open positions as follows: (a) the defaulting clearing member's guaranty fund requirement associated with each Product Class shall be attributed to such Class, (b) the defaulting clearing member's required performance bond amounts for each Product Class as of the prior clearing cycle shall be allocated to such Class, (c) any CME shares (whether common shares or class B shares) or any cash posted in lieu of such shares, and (d) any of the defaulting clearing member's other assets held by, pledged to or otherwise available to the Clearing House shall be divided among the Product Classes in proportion to the defaulting clearing member's guaranty fund requirement.

ii. Management of Obligations for Cycle of Default. As of the cycle in which the default occurs, the Clearing House shall aggregate the following assets: any excess guaranty funds, any excess performance bond from the prior clearing cycle, any partial payment by the clearing member for the default cycle, and any other available assets of the clearing member that are not specific to a Product Class. Such unassigned assets shall be allocated first to any net settlement variation payment obligation of the defaulting clearing member to the Clearing House, pro rata across account classes relative to the net settlement variation payment obligation for each account class. If the unassigned funds so allocated are sufficient to satisfy the clearing member's immediate settlement variation payment obligations, any remaining unassigned funds shall be divided among the Product Classes, pro rata in proportion to the size of the performance bond requirements for each Product Class for the clearing cycle immediately prior to the default. If the unassigned funds are not sufficient to satisfy the clearing member's settlement variation payment obligations for the default cycle, then (i) the Clearing House shall apply the unassigned funds to such obligations, pro rata relative to the size of such obligations on a per-Product Class basis, and within each Product Class, pro rata across account classes, and (ii) the remaining settlement variation payment obligations for such clearing cycle shall be satisfied on a per-Product Class basis only from the assets allocated to the relevant Product Class pursuant to 802.A.5.i. If the Clearing House is unable to satisfy a settlement variation payment obligation attributable to any Product Class from such assets, the deficiency shall be a Loss that the Clearing House shall satisfy pursuant to the procedures in Rule 802.B. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account.

iii. Payment Obligations as Losses are Finalized. During any subsequent clearing cycles in which the Clearing House is managing and/or liquidating open positions in respect of the defaulting clearing member, the Clearing House shall satisfy any settlement variation payment obligations owed by the defaulting Clearing member to the Clearing House, or other realized losses of or expenses to the Clearing House with respect to the default, on a per-Product Class basis, only from the assets allocated to the relevant Product Class pursuant to 802.A.5.i. Any settlement variation gain to the defaulting clearing member in any Product Class during such subsequent clearing cycles shall be added to collateral allocated to such Product Class pursuant to 802.A.5.i. Any additional assets of the defaulting clearing member obtained by the Clearing House during subsequent clearing cycles shall be divided among the Product Classes

pro rata in proportion to the size of the performance bond requirements for each Product Class for the clearing cycle immediately prior to the default. The Clearing House shall apply such collateral to such payment obligations for all account classes, giving priority to customer account classes (i.e., customer accounts and proprietary accounts). If the Clearing House is unable to satisfy a settlement variation payment obligation to the Clearing House, or other realized loss or expense to the Clearing House, from the defaulting clearing member's collateral as set forth in this paragraph, the deficiency shall be a Loss that the Clearing House shall satisfy pursuant to the procedures in Rule 802.B. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account.

iv. Final determination of gain or deficiency for each Product Class. When the Clearing House determines the final net deficiency for a Product Class, it shall apply any remaining collateral of the defaulting clearing member with respect to such Product Class to satisfy the deficiency. If the Clearing House achieves a final gain, or if any excess collateral remains following satisfaction of a deficiency, the Clearing House shall allocate such excess funds to the defaulting clearing member's collateral for Product Classes within the same account class as to which a final gain or deficiency is yet to be determined, pro rata in proportion to the size of the performance bond requirements for such Product Classes for the clearing cycle immediately prior to the default. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account. Any gains or excess collateral within a segregated customer account class following final determination of the defaulting clearing member's losses shall remain segregated to the relevant customer account class, where it may be used to satisfy payment obligations arising from such account class in other Product Classes, but shall not be added to the clearing member's collateral generally.

Any remaining unsatisfied obligations of the defaulting clearing member shall become Losses to the Clearing House that shall be satisfied as set forth below.

Chapter 9. Clearing Members

957. CONFIRMATIONS TO CUSTOMERS

A clearing member shall confirm to the customer every transaction made for the customer no later than the following business day. Such confirmation shall be in electronic or written form and shall show facts relevant to the economic terms of the transaction, such as the commodity product bought or sold, the quantity, the price, the expiration, maturity date or the contract month/year (as applicable), and, for options, strike price, put or call and expiration month.

NYMEX Rulebook Amendments

Chapter 4. Enforcement of Rules

403. CLEARING HOUSE RISK COMMITTEE

403.A. Jurisdiction and General Provisions

The Clearing House Risk Committee (or any subcommittee thereof) (collectively, "CHRC"), shall determine whether an applicant satisfies the qualifications for status as a Clearing Member. The CHRC decision shall be subject to appeal to the Board by an applicant. The CHRC may adopt regulations regarding qualifications for admission to membership in the Clearing House, which regulations, when approved by the Board, shall have the same effect as Rules of the Exchange. The CHRC shall act upon applications for clearing membership and applications for assignment of ~~Class A Shares, trading rights and related Class B Shares~~ for clearing purposes. Applications for clearing membership and for assignment of ~~Class A Shares, trading rights and related Class B Shares~~ for clearing purposes, when approved by the CHRC, shall be effective and thereafter ratified by the Board.

The CHRC shall have at least two co-chairmen, who shall be members of the Board, and at least seven additional individuals, five who shall be Clearing Member representatives and at least one who shall be a non-member.

The CHRC may conduct investigations, issue charges and consider offers of settlement on its own initiative or by referral from Exchange staff, the PCC, or the BCC. Hearings on charges issued by the CHRC will be conducted by the BCC pursuant to the provisions of Rule 408.

If the CHRC determines that a Clearing Member is in a financial condition which jeopardizes or may jeopardize the integrity of the Exchange, the CHRC may, by majority vote:

1. Order the Clearing Member or its customers to deposit such additional performance bond with the Clearing House as deemed appropriate to protect the integrity of open contracts;
2. Prescribe such additional capital or other financial requirements as it deems appropriate;
3. Impose position limits on Clearing Members based on their regulatory capital and such other criteria as it deems appropriate;
4. Suspend a Clearing Member, subject to approval of any two of the following individuals: the Chief Executive Officer, the President, the President of the Clearing House, the Chairman of the Board, the Chairman of the CHRC or the Chief Operating Officer; and/or
5. Order the Clearing Member to cease and desist from the conduct found to be contrary to the best interests of the Exchange.

No person shall serve on the CHRC unless he has agreed in writing that he will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or entity or any other information which may come to his attention in his official capacity as a member of the CHRC, except when reporting to the Board or to a committee concerned with such information or to the Legal Department, Audit Department or Market Regulation Department, when requested by the CFTC or other governmental agency or when compelled to testify in any judicial or administrative proceeding.

All information and documents provided to the CHRC and all deliberations and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law.

The CHRC shall have jurisdiction to enforce Rules pertaining to the following:

1. Financial integrity of Clearing Members; and

2. Business conduct of and compliance with Exchange Rules by Clearing Members and by any Member who is an officer or a principal or who has assigned his membership on behalf of a Clearing Member, in connection with such Clearing Member's activities, except insofar as jurisdiction over matters relating to conduct, trading practices, trading ethics and certain sales practices of Members, and market manipulations or other actions that threaten the integrity of the market are within the purview of the BCC.

Notwithstanding anything to the contrary herein, the jurisdiction of the CHRC shall not extend to IRS Products or IRS Clearing Members in such capacity when clearing IRS Products. The IRS Risk Committee shall have jurisdiction over IRS Products and IRS Clearing Members in such capacity when clearing IRS Products pursuant to the IRS Risk Committee's charter.

Chapter 8. Clearing House and Performance Bonds

800. CLEARING HOUSE

800.A. CME Clearing House

The Exchange shall utilize the services of the CME Clearing House in order to protect market participants and to maintain the integrity of the contracts traded on or processed through the Exchange. Membership in the Clearing House shall be a right and privilege granted by the Board of Directors which may, from time to time, establish such classes of membership in the Clearing House, together with the duties, rights and privileges thereof, as it deems necessary.

800.B. Dubai Mercantile Exchange Limited

For purposes of these Chapter 8 rules and except as otherwise noted within a particular rule, all references to requirements, conditions or procedures of the Clearing House, shall be deemed to apply to Dubai Mercantile Exchange Limited ("DME") contracts.

The Clearing House, in relation to providing clearing services to the DME for transactions effected on or subject to the rules of the DME, will provide reports and such other information to the DME as may be required for the business operation and regulatory requirements applicable to the DME.

800.C. Green Exchange, LLC

For purposes of these Chapter 8 rules and except as otherwise noted within a particular rule, all references to requirements, conditions or procedures of the Clearing House, shall be deemed to apply to Green Exchange, LLC ("GreenX") contracts.

The Clearing House, in relation to providing clearing services to GreenX for transactions effected on or subject to the rules of GreenX, will provide reports and such other information to GreenX as may be required for the business operation and regulatory requirements applicable to GreenX.

802. PROTECTION OF CLEARING HOUSE

802.A. Default by Clearing Member or Other Participating Exchanges

The Clearing House shall establish a single guaranty fund. Each clearing member shall contribute to the guaranty fund in accordance with the requirements of Rule 816. A clearing member's guaranty fund contribution may be applied by the Clearing House in accordance with this Rule 802 to mitigate a Loss (as defined below) to the Clearing House attributable to any cleared Product Class (as defined below) regardless of the Product Classes a clearing member clears. However, in order to accommodate differences in time frames and processes associated with the liquidation of certain Product Classes, Losses will be allocated among a

set of guaranty fund tranches established to reflect the relative contributions of different product classes to the total guaranty fund. For example, to the extent that a loss to the Clearing House is attributable to CDS positions, the guaranty fund contributions related to CDS risks will be subject to application prior to guaranty fund contributions allocated to other tranches. Notwithstanding this prioritization of the Clearing House's recourse, ultimately the entire guaranty fund will be available if necessary to satisfy all losses regardless of Product Class.

1. Default by Clearing Member

If a clearing member of CME, CBOT, NYMEX, COMEX, or an OTC Clearing Member, fails promptly to discharge any obligation to the Clearing House, it shall be in default. For purposes of this Rule 802, each default by a clearing member will be considered a separate default event, provided that if a clearing member has been declared in default, subsequent failures to pay by such defaulting clearing member shall not be considered separate default events unless and until the original default has been fully resolved and such clearing member has been restored to good standing.

2. Defaulting Clearing Member's Collateral

If a clearing member defaults, its guaranty fund contribution (pursuant to Rule 816), its performance bonds on deposit with the Clearing House, the proceeds of the sale of any membership and Class A Shares assigned to it for clearing qualification, and any of its other assets held by, pledged to or otherwise available to the Clearing House, shall be applied by the Clearing House to discharge the clearing member's obligation to the Clearing House. The defaulting clearing member shall take no action, including but not limited to attempting to obtain a court order, that would interfere with the ability of the Clearing House to so apply such assets and proceeds.

If the guaranty fund contribution, performance bond and other assets of a clearing member available to the Clearing House are insufficient to satisfy all of its obligations to the Clearing House, including all claims against the Clearing House by reason of its substitution for that clearing member pursuant to Rule 804 or Rule 8F05, the Clearing House shall nonetheless pay all such claims, which payments by the Clearing House shall be deemed a loss to it (hereinafter "Loss") and which shall be a liability of the defaulting clearing member to the Clearing House, which the Clearing House may collect from any other assets of such clearing member or by process of law.

For purposes of this Rule, the positions in the cross-margin account of a Participating Clearing Member or its Cross-Margining Affiliate at a Cross-Margining Clearing Organization, and the performance bond thereon, shall be considered assets of the Participating Clearing Member available to the Clearing House to the extent provided in the Cross-Margining Agreement between the Clearing House and such Cross-Margining Clearing Organization. A clearing member in default shall immediately make up any deficiencies in its guaranty fund contribution resulting from such default and in any event no later than the close of business on the banking day following demand by the Clearing House.

3. Default by Other Participating Exchanges or Partner Clearinghouses

If a Participating Exchange or Partner Clearinghouse fails to promptly discharge any obligation to the Clearing House arising out of its obligations to the Exchange, such Participating Exchange's or Partner Clearinghouse's letters of credit, performance bonds and other assets available to the Clearing House shall be applied by the Clearing House to discharge the obligation, pursuant to the procedures set forth below in Rule 802.A.5 with respect to a defaulting clearing member. If such resources are insufficient to satisfy the Participating Exchange's or Partner Clearinghouse's obligations to the Clearing House, the deficiency shall be considered a Loss that is subject to satisfaction pursuant to Rule 802.B.

4. Allocation of Guaranty Fund into Tranches

The guaranty fund shall be composed of the required guaranty fund contributions of clearing members pursuant to Rule 816, or any comparable security deposit contributions from a Participating Exchange or Partner Clearinghouse. The Clearing House shall allocate the guaranty fund into tranches as follows:

- i. The Base Product Class. Product classes that are not associated with the CDS Tranche or an Alternate Tranche as described below shall comprise the Base Product Class. The first 80% of guaranty fund amounts contributed with respect to the Base Product Class shall be the "Base Tranche".
- ii. The CDS Product Class. CDS products described in Chapter 80000 shall comprise the CDS Product Class. The first 80% of guaranty fund amounts contributed with respect to the CDS Product Class shall be the "CDS Tranche".
- iii. Alternate Product Classes. Any other product class approved by the Clearing House Risk Committee to support a product-specific guaranty fund tranche hereunder shall comprise an Alternate Product Class. The first 80% of guaranty fund amounts contributed with respect to each such an Alternate Product Class shall be an "Alternate Tranche".
- iv. Commingled Tranche. The remaining 20% of guaranty fund amounts contributed with respect to all of the foregoing Product Classes shall be the "Commingled Tranche".

As set forth below in 802.B, if the collateral of the defaulting clearing member, as described in Rule 802.A.2, Participating Exchange or Partner Clearinghouse is insufficient to satisfy its obligation to the Clearing House, the Tranche associated with a particular Product Class will be the Tranche first applied to reimburse the Clearing House for Losses attributable to that Product Class, as determined in accordance with Rule 802.A.5, (i.e., the Base Tranche will first be applied to Losses attributed to the Base Product Class, and the CDS Tranche will first be applied to Losses attributed to the CDS Product Class). The guaranty fund requirements of clearing members for purposes of allocation of such amounts into the Tranches shall be the required amounts in effect for each clearing member at the time of the default.

5. Apportionment Among Product Classes; Application of Defaulting Clearing Member's Collateral

Upon a default, the Clearing House shall apply the defaulting clearing member's collateral to the deficiency in accordance with the following procedures:

- i. Initial Allocation of Assets to Product Classes. Subject to the provisions of 802.G, as of the cycle in which the default occurs, the Clearing House shall allocate assets of the defaulting clearing member to the different Product Classes in which the clearing member has open positions as follows: (a) the defaulting clearing member's guaranty fund requirement associated with each Product Class shall be attributed to such Class, (b) the defaulting clearing member's required performance bond amounts for each Product Class as of the prior clearing cycle shall be allocated to such Class, (c) any CME shares (whether common shares or class B shares) or any cash posted in lieu of such shares, and (d) any of the defaulting clearing member's other assets held by, pledged to or otherwise available to the Clearing House shall be divided among the Product Classes in proportion to the defaulting clearing member's guaranty fund requirement.
- ii. Management of Obligations for Cycle of Default. As of the cycle in which the default occurs, the Clearing House shall aggregate the following assets: any excess guaranty funds, any excess performance bond from the prior clearing cycle, any partial payment by the clearing member for the default cycle, and any other available assets of the clearing member that are not specific to a Product Class. Such unassigned assets shall be allocated first to any net settlement variation payment obligation of the defaulting clearing member to the Clearing House, pro rata across account classes relative to the net settlement variation payment obligation for each account class. If the unassigned funds so allocated are sufficient to satisfy

the clearing member's immediate settlement variation payment obligations, any remaining unassigned funds shall be divided among the Product Classes, pro rata in proportion to the size of the performance bond requirements for each Product Class for the clearing cycle immediately prior to the default. If the unassigned funds are not sufficient to satisfy the clearing member's settlement variation payment obligations for the default cycle, then (i) the Clearing House shall apply the unassigned funds to such obligations, pro rata relative to the size of such obligations on a per-Product Class basis, and within each Product Class, pro rata across account classes, and (ii) the remaining settlement variation payment obligations for such clearing cycle shall be satisfied on a per-Product Class basis only from the assets allocated to the relevant Product Class pursuant to 802.A.5.i. If the Clearing House is unable to satisfy a settlement variation payment obligation attributable to any Product Class from such assets, the deficiency shall be a Loss that the Clearing House shall satisfy pursuant to the procedures in Rule 802.B. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account.

iii. Payment Obligations as Losses are Finalized. During any subsequent clearing cycles in which the Clearing House is managing and/or liquidating open positions in respect of the defaulting clearing member, the Clearing House shall satisfy any settlement variation payment obligations owed by the defaulting Clearing member to the Clearing House, or other realized losses of or expenses to the Clearing House with respect to the default, on a per-Product Class basis, only from the assets allocated to the relevant Product Class pursuant to 802.A.5.i. Any settlement variation gain to the defaulting clearing member in any Product Class during such subsequent clearing cycles shall be added to collateral allocated to such Product Class pursuant to 802.A.5.i. Any additional assets of the defaulting clearing member obtained by the Clearing House during subsequent clearing cycles shall be divided among the Product Classes pro rata in proportion to the size of the performance bond requirements for each Product Class for the clearing cycle immediately prior to the default. The Clearing House shall apply such collateral to such payment obligations for all account classes, giving priority to customer account classes (i.e., customer accounts and proprietary accounts). If the Clearing House is unable to satisfy a settlement variation payment obligation to the Clearing House, or other realized loss or expense to the Clearing House, from the defaulting clearing member's collateral as set forth in this paragraph, the deficiency shall be a Loss that the Clearing House shall satisfy pursuant to the procedures in Rule 802.B. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account.

iv. Final determination of gain or deficiency for each Product Class. When the Clearing House determines the final net deficiency for a Product Class, it shall apply any remaining collateral of the defaulting clearing member with respect to such Product Class to satisfy the deficiency. If the Clearing House achieves a final gain, or if any excess collateral remains following satisfaction of a deficiency, the Clearing House shall allocate such excess funds to the defaulting clearing member's collateral for Product Classes within the same account class as to which a final gain or deficiency is yet to be determined, pro rata in proportion to the size of the performance bond requirements for such Product Classes for the clearing cycle immediately prior to the default. For the avoidance of doubt, as set forth in 802.G, the Clearing House shall not use performance bond amounts or other collateral in any customer account class of the defaulting clearing member to satisfy a payment obligation to the Clearing House in respect of the defaulting clearing member's proprietary account. Any gains or excess collateral within a segregated customer account class following final determination of the defaulting clearing member's losses shall remain segregated to the relevant customer account

class, where it may be used to satisfy payment obligations arising from such account class in other Product Classes, but shall not be added to the clearing member's collateral generally. Any remaining unsatisfied obligations of the defaulting clearing member shall become Losses to the Clearing House that shall be satisfied as set forth below.

808. CME CLEARPORT: PROCEDURES FOR TRADE SUBMISSION

(A) Scope of Rule. This rule governs transactions not competitively executed on the Exchange ("Transactions") that are submitted via CME ClearPort for clearing in connection with a contract that is listed on the Exchange for clearing only ("~~DME Transactions~~") or listed for trading and clearing on the Exchange ("~~NYMEX Transactions~~"). In submitting ~~either a NYMEX or DME~~ such ~~Transactions~~ to CME Clearport or in allowing ~~either a NYMEX or DME~~ such ~~Transactions~~ to be submitted to the CME Clearport, the two parties to the Transaction shall be deemed to have mutually agreed to initiate a process to substitute their transaction for a standardized futures contract listed for trading and clearing on the Exchange. For purposes of this rule, the two principals in ~~either a NYMEX or DME~~ parties to the Transaction shall be referenced as the "Parties to the Transaction." Further, with respect to ~~DME Transactions on the Dubai Mercantile Exchange Limited ("DME") or the Green Exchange, LLC ("GreenX")~~, any breach of procedures related to this Rule 802 shall be handled pursuant to ~~DME~~ the rules and regulations of ~~DME or GreenX~~ (as applicable).

(B) Transactions: Compliance with Regulatory Exemptions and Exclusions. Each of the Parties to the ~~NYMEX Transaction~~ shall be responsible for ensuring that the Transaction complies with CFTC regulatory requirements as applicable for such ~~Transaction~~, including as appropriate compliance with the terms of a statutory exemption or exclusion under the Commodity Exchange Act from other CFTC regulation relied upon by the Parties to the Transaction.

(C) Submission of ~~NYMEX and DME~~ Futures and Options. The process of submission of a ~~NYMEX or DME~~ futures or options Transaction shall not be deemed to have been completed unless and until the Parties to the Transaction have successfully concluded the submission of the Transaction to the Exchange (or ~~to the DME or GreenX~~, as appropriate) as an exchange of futures for physicals ("EFP"), an exchange of futures for swaps ("EFS"), an exchange of OTC Option for exchange option ("EOO") or as a Block Trade, as applicable, pursuant to the respective provisions of ~~relevant NYMEX, COMEX, DME or GreenX - Rules 6.84, 6.84A, 6.84C, 6.84F, COMEX Rules 104.36, 104.36A, 104.36B, 104.36C, DME Rules 6.84 and 6.34~~, and the provisions of this Rule.

(D) Trade Submission Procedures. All transactions submitted to the Exchange pursuant to this rule must be submitted in accordance with the procedures established by the Clearing House for this purpose, as amended from time to time. The Parties to the Transaction and any Party authorized under Section (E) of this Rule with brokering capability ("Broker" or "Brokers") authorized to submit executed transactions on their behalf to the Exchange and authorized for related activities shall be exclusively responsible, both individually and jointly, for accurately confirming the details of the

Transaction to the Exchange. Once submitted, all such transactions, subject to the rules for trade adjustments set forth in Section (G) of this Rule, shall be deemed final. Neither the Exchange nor a Clearing Member carrying the account of either party will have any responsibility in the confirmation of trade terms for the Transactions.

(E) Registration of Eligible Participants, Eligible Accounts and Authorized Brokers. Each ~~NYMEX and DME~~ Clearing Member must register with the Exchange in the manner required for any customer authorized by the Clearing Member to submit transactions to the Exchange (or ~~the DME or GreenX~~, as appropriate) pursuant to this rule, and must also register with the Exchange the applicable account numbers for each such customer. For each such account, the

Clearing Member carrying that account also must submit to the Exchange in the manner provided the name of any Broker(s) who has registered with the Exchange for services provided by the Exchange, and who is authorized by the customer to act on its behalf in the submission of executed transactions to the Exchange and related activity. For any such Brokers authorized by the customer and submitted to the Exchange by the Clearing Member, such submission by the Clearing Member will not constitute an endorsement or ratification of the customer's authorization of the Broker. Moreover, submission of Brokers authorized by the customer will not mean that the Clearing Member is in privity with, has a relationship with and/or is otherwise standing behind any of the customer's authorized Brokers, and the Clearing Member will have no responsibility for any such Brokers selected by the customer and no duty or obligation to supervise the activities of any such Brokers.

(F) Establishment of Authorized Commodities and Total Risk Value. For each account number that has been registered with the Exchange pursuant to Section (E) of this rule, a ~~NYMEX and DME~~ Clearing Member also must input into the Exchange's system authorization indicating the specific commodities for which a Transaction may be submitted to the Exchange pursuant to this rule and the risk value(s) assigned by the Clearing Member for Transactions for that account.

(G) Trade Deletion Procedures for Transactions Submitted via CME. Following submission of the trade details by Broker (or by Exchange staff as mutually agreed by the Parties to the Transaction), an e-mail will be transmitted to the Parties to the Transaction notifying them that they have been listed as counterparties in a Transaction that has been submitted to the Exchange. Following such submission, a buyer or seller may not unilaterally reject the trade terms previously submitted to the Exchange. However, in order to correct an error resulting from the good faith actions of the Broker or Exchange staff, as applicable, and upon mutual consent of the Parties to the Transaction, Broker or Exchange staff, as applicable, may void the transaction provided, however, that this void response is received by the Exchange within sixty (60) minutes of the time of the initial submission of the Transaction to the Exchange.

(H) Entry of Transactions. For a Transaction submitted to the Exchange pursuant to this rule, such transaction first will be routed to the Exchange's credit check system. The time of entry of a Transaction into the Exchange's system will be recorded by the system and will be used by the Exchange as the time that a credit check was conducted pursuant to Section (I) below.

(I) Use of Credit Check System. The Exchange will conduct a credit check for each Transaction. The credit check will confirm whether the Clearing Member carrying that account has authorized that account for Transactions submitted pursuant to this rule in the commodity involved in the Transaction, and confirm whether the entry of the Transaction into clearing would fall within the risk value(s) established by the Clearing Member. At all times until both sides (Buy and Sell) of the Transaction have successfully cleared the credit check, a Transaction submitted to the Exchange pursuant to this rule shall remain as an uncleared Transaction. In the event that either side of the Transaction is rejected as a result of the credit check test, the Parties to the Transaction and their respective Clearing Members would be informed accordingly.

Thereafter, any determination as to further action with respect to the Transaction would be resolved by the Parties to the Transaction.

(J) Trade Submission Deadlines. Transactions that are submitted, confirmed and accepted for clearing, as further provided by Section (K) of this rule, prior to 5:15 p.m. New York time on an Exchange business day will be included by the Exchange for clearing for that business day. The Exchange reserves the right to modify these business hours without notice at any time. The CME ClearPort Facilitation Desk will generally be available to assist users 24 hours a day on all Exchange business days.

(K) Clearance by Both Sides of the Transactions of Credit Check. Upon clearance by both sides of the Transaction of the credit check, the transaction shall be deemed to have been accepted for clearing and will be routed automatically to the Exchange's clearing system. Notwithstanding

the above, a Clearing Member also shall be responsible for accepting and clearing a position for a Transaction entered into the Exchange's clearing system for clearing following any non-operation of the Exchange's credit check functionality for the applicable account carried by the Clearing Member.

Chapter 9. Clearing Members

901. GENERAL REQUIREMENTS AND OBLIGATIONS

Membership in the Clearing House is a privilege and license granted by the Board and may be withdrawn by the Board for cause at any time. Clearing House staff may grant exemptions to the General Requirements and Obligations set forth below for Clearing Members if it is determined that such an exemption will not jeopardize the financial integrity of the Clearing House. Subject to such exemptions, each applicant for qualification as a clearing member must satisfy the following requirements:

A. It shall be a corporation (defined by the Rules of the Exchange to include a limited liability company), partnership or other entity approved by Exchange staff. It shall agree to: 1) abide by all Exchange Rules and to cooperate in their enforcement; 2) be responsible, even after it has withdrawn as a clearing member, for any violations of Exchange Rules committed by it while it was a clearing member; and 3) continue to meet all requirements applicable to clearing members, including all financial requirements provided by these rules;

B. It shall have an authorized representative (i.e., officer, principal, or partner) who shall represent the clearing member before the Exchange and its committees. Such authorized representative shall be responsible to the Exchange for any representations made to the Exchange as if such person were a member as defined by Rule 400.

C. It shall be qualified to do business in the State of Illinois or the State of New York or have a valid agency agreement with an entity qualified to do business in the State of Illinois or the State of New York;

D. It shall be engaged in or demonstrate immediate capacity to engage in the conduct of the business of a clearing member;

E. It shall demonstrate such fiscal and moral integrity as would justify the Clearing House's assumption of the risks inherent in clearing its trades;

F. It shall demonstrate financial capitalization commensurate with Exchange requirements as set by the Clearing House Risk Committee;

G. If any person directly or indirectly controls, owns 10% or more of, or has the right to 10% or more of the profits of two or more clearing members, then each such clearing member shall guarantee the obligations of the others to the Clearing House and shall execute a written guarantee

to the Clearing House on a form approved by the Clearing House.

H. It shall notify the Exchange prior to any significant business transaction or significant change in operations which shall include, but is not limited to the following:

1. The merger, combination or consolidation between the clearing member and another person or entity;
2. The assumption or guarantee by the clearing member of all or substantially all of the liabilities of another in connection with a direct or indirect acquisition of all or substantially all of that person's or entity's assets;
3. The sale by the clearing member of a significant part of its business and/or assets to another person or entity;
4. A change in the direct or indirect beneficial ownership of 20% or more of the clearing member;
5. Any change in the system provider used by the clearing member to process its trades; and

6. A significant increase in the number of members that a clearing member qualifies. Additionally, a clearing member that qualifies members must provide fifteen days notice to the Exchange of any proposal to terminate such business or any material part of such business. The Clearing House Risk Committee or Exchange staff, upon such notice, may disapprove or approve, subject to certain conditions, such changes in structure or operations if it determines that the proposed change could jeopardize the financial or operational integrity of the Exchange or the Clearing House.

I. It shall agree to guarantee and assume complete responsibility for the financial obligations attendant to: 1) all trades and orders executed or accepted for execution by a member it qualifies, including trades and orders executed, or which such member fails to execute, negligently, fraudulently or in violation of Exchange rules; 2) an unpaid arbitration award issued by a panel of the Arbitration Committee against a member it qualifies in circumstances where the dispute is related to a matter described in number 1) above; 3) an unpaid restitution order issued against a member it qualifies by a panel of the Business Conduct Committee, the Clearing House Risk Committee or a hearing panel of the Board of Directors; and 4) unpaid Exchange disciplinary fines imposed upon a member it qualifies if the member is also an employee of the clearing member or its affiliate, subject to a determination by the sanctioning entity.

J. It shall notify the Audit Department in a timely manner of any material change in key personnel who are responsible to act on behalf of the clearing member.

K. [Reserved]

L. It shall submit to the Clearing House a written guarantee, on a form provided by the Clearing House, from each person or entity owning 5% or more of the equity securities of the clearing member, that shall guarantee all obligations of the clearing member to the Clearing House arising out of accounts cleared by the clearing member that are:

1. non-customer accounts, including proprietary accounts as defined by CFTC Regulation 1.3(y); and

2. accounts carried by another futures commission merchant if such accounts would be considered non-customer accounts, including proprietary accounts as defined by CFTC Regulation 1.3(y), of the clearing member, if carried directly by the clearing member.

Notwithstanding anything herein to the contrary, the guarantee required by this Rule 901.L. shall not apply to any obligations of the clearing member to pay an assessment to the Clearing House pursuant to Rule 809B.

Each clearing member must submit and maintain with the Audit Department a current list of every person or entity which is directly, or indirectly through intermediaries, the beneficial owner of 5% or more of any class of equity security of the clearing member. If such person or entity owns the clearing member indirectly through intermediaries, all intermediaries must be listed including, if a corporation, all shareholders who own 5% or more of any class of equity security, or, if a partnership, all general and any limited or special partners who have contributed 5% or more of the partnership's capital. If the intermediary's shareholders or partners are not individuals, the clearing member must include the chain of ownership of 5% shareholders, general partners and 5% limited or special partners until individuals are listed.

If a corporation directly or indirectly owns 5% or more of the equity securities of the clearing member, the written guarantee shall be signed by an appropriate officer of the corporation, and a resolution granting such officer authority to sign the guarantee shall also be submitted to the Clearing House. Clearing House staff may also require each person or entity owning 5% or more of the equity securities of such parent corporation, or of parents of such parent corporation, to execute guarantees.

For purposes of this Rule 901.L., the term "equity security" shall include any stock, partnership interest or similar security; or any security convertible, with or without consideration, into such a

security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security that Clearing House staff shall deem to be of similar nature and consider necessary or appropriate to treat as an equity security.

M. It shall guarantee and assume financial responsibility for all trading activity routed through a Globex portal, ~~a ClearPort Trading portal~~ or routed through any other electronic trading system to CME for clearing of such transactions. Such activity is guaranteed to CME by the clearing member via any connection, terminal, link, telecommunications hub or handheld unit provided by the clearing member to a third party as well as any other applicable electronic trading systems and terminals that the clearing member provides to a third party to enter orders.

N. It shall be responsible for the acts of Globex terminal operators and ~~ClearPort Trading Users or User Agents~~ accessing, respectively, the Globex system or ~~the ClearPort Trading system~~ through its connections, including direct connections or other connections that it provides to firms that are under common ownership with it. It shall be the duty of the clearing member to supervise its employees and agents acting as Globex terminal operators or ~~ClearPort Trading Users or User Agents~~ to ensure such employees and agents comply with Exchange rules, and any violation of Exchange rules by such terminal operators shall be considered a violation by the clearing member.

957. CONFIRMATIONS TO CUSTOMERS

A clearing member shall confirm to the customer every transaction made for the customer no later than the following business day. Such confirmation shall be in electronic or written form and shall show facts relevant to the economic terms of the transaction, such as the commodity product bought or sold, the quantity, the price, the expiration, maturity date or contract month/year (as applicable), and, for options, strike price, put or call and expiration