POLYMARKET US RULEBOOK

August 28, 2026

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

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CHAPTER 1
DEFINITIONS

1.1. Defined Terms

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

"Accelerated Contract" means a Contract that the Company has designated as such through the Trading System in accordance with Rule 5.3(n)(vi), for which the confirmation period and timer are each one (1) second unless the Company specifies a longer period.

"**Account**" means any Customer Account, Participant Account, or other account maintained for the purpose of holding Positions, Margin, or collateral in connection with trading or clearing Contracts pursuant to these Rules or the Clearinghouse Rules.

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

"Anti-Money Laundering" or **"AML"** means all laws, regulations, and guidance relating to the prevention of money-laundering and terrorist financing, including without limitation, the Bank Secrecy Act, the PATRIOT Act, and all regulations and orders issued by the U.S. Department of the Treasury or the CFTC.

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

"**Appeals Panel**" means a panel appointed pursuant to Chapter 8 to consider appeals of disciplinary decisions.

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

"**Authorized User**" means any natural person who is authorized by a Participant to place Orders on its behalf. Without limitation, an Authorized User may include an employee of a Participant that is an entity, and an advisor authorized by a Participant to trade on its behalf.

"**Board Committees**" means the Regulatory Oversight Committee together with any other standing committees of the Board.

"**Board of Directors**" or "**Board**" means the board of directors of the Company, as constituted from time to time pursuant to the Company's Operating Agreement.

"**Broker Participant**" means an entity registered with the CFTC as an Introducing Broker that introduces its Customers to the Company and Clearinghouse and thereby facilitates such Customers' access to Trading Privileges and Clearing Privileges.

"**Business Day**" means any day other than a Saturday, Sunday or any other day on which banking institutions in New York, New York are authorized or required by law, regulation, or executive order to be closed.

"**CEA**" means the Commodity Exchange Act, as amended from time to time.

"**CFTC**" means the Commodity Futures Trading Commission and includes any successor agency or authority.

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

"**Chief Compliance Officer**" means the individual appointed by the Board of Directors from time to time to serve as chief compliance officer of the Company. For the avoidance of doubt, the Chief Compliance Officer shall serve as, and the responsibilities of the Chief Compliance Officer shall include the responsibilities of, the chief regulatory officer under Part 38 of the CFTC Regulations.

"**Chief Executive Officer**" means the individual appointed by the Board of Directors from time to time to serve as chief executive officer of the Company.

"**Chief Financial Officer**" means the individual appointed by the Board of Directors from time to time to serve as chief financial officer of the Company.

"**Chief Risk Officer**" means the individual appointed by the Board from time to time to serve as chief risk officer of the Company.

"**Clearinghouse**" means QC Clearing LLC d/b/a Polymarket Clearing, a Delaware limited liability company.

"**Clearing Member**" means an FCM Clearing Member or Direct Clearing Member who has executed the applicable clearing member agreement, and to whom the Clearinghouse has granted the right to clear contracts on the Clearinghouse.

"**Clearing Privileges**" means the ability of the Participant to clear transactions executed through the Clearinghouse.

"**Closed Contract Position**" shall mean an Open Contract Position that has been closed by (i) offsetting it against an Open Contract Position of the same Contract, or (ii) any Open Contract Position that has been offset by the tendering or receipt (as applicable) of a notice of payment.

"**Company**" or "**Exchange**" means QCX, or any successor thereto.

"**Company Personnel**" means Directors, Officers and employees of the Company, and its contractors, consultants, secondees or leased employees, temporary employees, interns, and technology service providers.

"**Compliance Department**" means the Officers and employees of the Company who are responsible for maintaining the compliance integrity of the Company and the Clearinghouse.

"**Contract**" means any contract or transaction that the Company may approve from time to time for trading on the Exchange and clearing through the Clearinghouse.

"Contract Issuance" means the point in time at which a Contract is made available on the Exchange, as designated by the Company.

"Contract Terms" refers to the specific parameters applicable to each Contract available for trading on the Exchange.

"**Contract Market**" has the meaning set forth in CFTC Regulation § 1.3.

"Contract Outcome" means the result of a Contract as determined in accordance with the Contract Terms. If the Expiration Value satisfies the Payout Condition, the Contract Outcome is $1.00, and the Settlement Amount is payable to holders of long positions in the Contract. If the Expiration Value does not satisfy the Payout Condition, the Contract Outcome is $0.00, and the Settlement Amount is payable to holders of short positions in the Contract. In cases where the Contract Outcome cannot be determined, the Exchange may settle the Contract in accordance with the Contract Outcome Review Process set forth in Rule 10.4.

"**Control**" means the power to exercise a controlling influence over the management or policies of a Person. Any Person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of a corporation (or the election or appointment of the governing body of an Entity that is not a corporation), or more than 25% of the voting power in the election of directors of any other corporation (or other governing body) which directly or through one or more Affiliates owns beneficially more than 25% of the voting power in the election of directors of such corporation (or other governing body), shall be presumed to control such corporation or other entity absent a determination that it does not exercise a controlling influence. The terms "controlling" or "controlled" shall have meanings correlative to the foregoing.

"**Customer**" has the meaning set forth in CFTC Regulation § 1.3.

"**Customer Account**" means an account established by an FCM Clearing Member with the Clearinghouse in which the FCM Clearing Member maintains collateral, margin, trades, and positions solely for Customers.

"Customer Due Diligence" or **"CDD"** means the ongoing monitoring and documentation related to Customers' activities and risk profile in accordance with Applicable Laws.

"**Customer Order**" means any Order by a Customer to buy or sell a Contract on or subject to the Rules.

"**Derivatives Clearing Organization**" has the meaning set forth in Section 1a(15) of the CEA.

"**Direct Access Participant**" means a Participant of the Company that is not intermediated.

"**Direct Clearing Member**" means an Individual Clearing Member (as defined in the Clearinghouse Rulebook) or Entity Clearing Member (as defined in the Clearinghouse Rulebook).

"**Director**" means a member of the Board.

"**Disciplinary Panel**" shall have the meaning ascribed to it in Rule 8.6.

"Eligible Contract Participant" has the meaning set forth in Section 1a(18) of the CEA.

"**Entity Participant**" means a Participant of the Company that is not a natural person. For the avoidance of doubt, an Entity Participant shall not include an FCM Participant.

"Expiration Date" means the date established by the Exchange or specified in the applicable Contract Terms on which the Expiration Value of a Contract is determined.

"**Expiration Time**" means, in the case of a Fully Collateralized Position, the date specified time on a specified designated date established by the Company as the expiration, or termination, of such Fully Collateralized Position.

"Expiration Value" means the rate, level, amount, measure, outcome, or other value of the Underlying as determined or declared by the Source Agency at or before the Expiration Time on the Expiration Date.

"**FCM Clearing Member**" means a Person that is registered with the CFTC as a Futures Commission Merchant, has completed an FCM Participant and Clearing Member Agreement, and has been granted clearing privileges by the Clearinghouse, or otherwise remains subject to the jurisdiction of the Clearinghouse under the Clearinghouse Rulebook.

"**FCM Participant**" means an entity registered with the CFTC as a "futures commission merchant" ("**FCM**") who is authorized to engage in Trading Privileges and Clearing Privileges on behalf of its Customers.

"**FCM Participant and Clearing Member Agreement**" means a written agreement between the Company, the Clearinghouse and the FCM Participant that sets forth the terms and conditions under which the Company may grant the FCM Participant status as a Broker Member and Trading Privileges as such, and the Clearinghouse may grant the FCM Participant status as a Clearing Member and Clearing Privileges as such.

"**Incentive Program Participant**" means any Participant or Authorized User that has been appointed by the Company to perform certain liquidity providing functions with respect to one or more specified Contracts pursuant to an agreement between such Participant and the Company.

"**Individual Participant**" means a Participant of the Company who is a natural person, and who is not a Customer.

"**Introducing Broker**" has the meaning set forth in CFTC Regulation § 1.3.

"**ISV**" means an independent software vendor.

"Know Your Customer" or **"KYC"** means the policies and procedures required to obtain and retain a records of the essential facts concerning a Participant.

"Last Trading Date" means the last date on which trading in a Contract is permitted on the Trading System, as specified in the applicable Contract Terms.

"Last Trading Time" means the last time on the Last Trading Date at which trading in a Contract is permitted on the Trading System, as specified in the applicable Contract Terms.

"**Material Relationship**" has the meaning ascribed to it in Rule 2.2(f), *provided* that such definition shall be amended from time to time as may be necessary to conform to any amendments or modifications to the term "Public Director" set forth in CFTC Regulations as the CFTC may adopt from time to time.

"**Market Maker"** means a Participant that is designated by the Company as a Market Maker and granted certain privileges in exchange for assuming certain responsibilities as set forth in Chapter 4 of these Rules.

"**Member Property Account**" means an Account established by a Direct Clearing Member with the Clearinghouse in which the Clearing Member maintains trades, positions, collateral, and margin solely on its own behalf.

"Modification" means a binding change to a Contract's terms, specifications, or resolution criteria issued by the Exchange pursuant to Rule 10.3, including but not limited to changes to address ambiguities in Contract terms, unforeseen edge cases, designation of alternative Source Agencies, or interpretation of resolution criteria. A Modification becomes part of the Contract Terms upon issuance.

"**NFA**" means the National Futures Association and includes any successor organization.

"**Novation**" means the process by which a party to a transaction transfers all of its rights, liabilities, duties and obligations under the transaction to a new legal party other than the counterparty to the transaction. The transferee accepts all of the transferor's rights, liabilities, duties, and obligations under the transaction. A Novation is valid as long as the transferor and the remaining party to the transaction are given notice, and the transferor, transferee, and remaining party to the transaction consent to the transfer.

"**Officer**" shall have the meaning ascribed to it in Rule 2.6(a).

"**Open Contract Positions**" shall mean any Contract submitted by a Participant to the Clearinghouse, and accepted by the Clearinghouse, for clearing that has not been designated as a Closed Contract Position, including (i) any long or short position in such Contract without a matching position that such first position can be offset against; (ii) any long or short position in such Contract with a matching position that such first position can be offset against but that is held open by such Participant under an approved hedge program; and (iii) any long or short position in such Contract with a matching position that such first position can be offset against but that is held open under the applicable Product Specifications which defer offset until Contract expiration or another specified date.

"**Operating Agreement**" means the Amended and Restated Operating Company Agreement of QCX, dated as of February 23, 2021, as the same may be amended from time to time.

"**Order**" means any order to buy or sell a Contract on or subject to the Rules.

"**Participant**" means any Person that has been granted, and continues to have, Trading Privileges on the Company, or otherwise remains subject to the jurisdiction of the Company under these Rules, including Customers, Individual Participants, Entity Participants, Broker Participants, FCM Participants, Authorized Users, and Registered Agents.

"**Participant and Clearing Member Agreement**" means a written agreement between the Company, the Clearinghouse and the Participant that sets forth the terms and conditions under which the Company may grant the Participant Trading Privileges, and the Clearinghouse may grant the Participant Clearing Privileges.

"**Payout Condition**" means that the condition to the obligation of a Seller to pay the Settlement Amount under a Fully Collateralized Position has occurred on the Expiration Time.

"**Person**" means any natural person, association, partnership, limited liability company, joint venture, trust, or corporation.

"**PMUS Direct System**" means the proprietary order entry and execution system used by the Company for the placement and execution of Orders or the collection and transmission of information relating to Contracts. Participants (and their Authorized Users) will access the PMUS Direct System directly via internet connections.

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

"Product Specifications" refers to the contents of the Terms & Conditions submitted as an Attachment A for each product self-certification.

"**Public Director**" has the meaning ascribed to it in Rule 2.2(f), *provided* that such definition shall be amended from time to time as may be necessary to conform to any amendments or modifications to the term "Public Director" set forth in CFTC Regulations as the CFTC may adopt from time to time.

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

"**QCX**" means QCX LLC d/b/a Polymarket US, a Delaware limited liability company.

"Quote" means a two-sided price response submitted by a Participant (the "Quoter") in reply to a Request for Quote in accordance with Rule 5.3(n).

"Quoter" means a Participant that submits a Quote in response to a Request for Quote in accordance with Rule 5.3(n).

"**Regulatory Services Agreement**" shall have the meaning ascribed to it in Rule 2.13.

"**Regulatory Oversight Committee**" means the committee of the Board, as the context may require, constituted in accordance with Rule 2.4.

"Request for Quote" or "**RFQ**" means a request initiated by a Participant (the "Requester") through the Trading System, in accordance with Rule 5.3(n), to express interest in a Contract, which does not specify a side.

"Requester" means a Participant that initiates a Request for Quote through the Trading System in accordance with Rule 5.3(n).

"**Responsible Agent**" shall have the meaning ascribed to it in Rule 3.13.

"**Rulebook**" means the Polymarket US Rulebook.

"**Rules**" means the Polymarket US rules, as outlined in this Rulebook and as may be amended from time to time.

"**Self-Regulatory Organization**" shall, unless otherwise provided, have the meaning set forth in CFTC Regulation § 1.3, and, in addition, shall include a Contract Market, Derivatives Clearing Organization, and registered futures association.

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

"**Settlement Amount**" means, in the case of a Fully Collateralized Position, the fixed amount required to be paid by the Seller to the Purchaser on the Settlement Date if the Payout Condition is satisfied.

"**Settlement Bank**" means a depository approved by the Company as an acceptable location for depositing and holding Participant funds.

"**Settlement Date**" means the date established under the terms of a Contract as the date on which settlement of amounts owed with respect to such Contract must be paid.

"Source Agency" means the Exchange. In determining the Contract Outcome for each Contract, the Exchange will reference external sources designated in the applicable Contract Terms (**"Sources"**). Sources may be organized hierarchically as Primary, Secondary, and Tertiary Sources. The Exchange may designate additional or substitute Sources pursuant to Rule 10.3.

"Source Prohibition" means the trading restrictions applicable to any Person who (a) has access to material non-public information from a Source designated for any Contract, or (b) is otherwise in a position to influence the determination or declaration of the Expiration Value, as further specified in the applicable Product Specifications and Rule 2.9.

"**Standing Limit Order**" means a Contract that will be executed when entered to the extent that there is an opposite Order open in the PMUS Direct System.

"**Trade**" means any purchase or sale of any Contract on the Exchange, either directly or indirectly.

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

"**Trading System**" means the PMUS Direct System, any applications or system maintained by the Company for order entry and execution on the Company, or the collection and transmission of information relating to Contracts; secure portions of the Company website; all direct connectivity to the Company through API, front-end, GUI, ISV, and third-party screens; and all other systems, modalities, and connectivity for order entry or execution on the Company.

"**Trading Privileges**" means the ability of the Participant to enter into transactions on the Trading System.

"Underlying" means the event, outcome, amount, index, rate, risk, measure, instrument, value, contingency, occurrence, or extent of an occurrence that determines whether a Contract's Payout Condition is satisfied, as specified in the applicable Contract Terms.

"**USD**" means United States dollar.

"**User ID**" shall have the meaning ascribed to it in Rule 5.2(a).

1.2. Rules of Interpretation

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

(a) the terms defined in these Rules include the plural as well as the singular and *vice versa*;

(b) words importing gender include all genders;

(c) any reference to a Chapter or Rule refers to a Chapter or Rule of these Rules;

(d) any reference to these Rules refers to these Rules, including all Appendices hereto, and the words herein, hereof, thereto, hereto and hereunder and words of similar import refer to these Rules and their appendices as a whole and not to any particular Chapter, Rule or any other subdivision;

(e) references to days, months and years refer to calendar days, months and years, respectively;

(f) all references herein to "including" shall be deemed to be followed by the words "without limitation";

(g) unless otherwise specified, references to "Participants" includes each Responsible Agent and Authorized User of the Participant;

(h) any duties, liabilities, limitations, obligations, responsibilities, and rights of a Participant, and of the Company with regard to each Participant, shall be interpreted to be a duty, liability, limitation, obligation, responsibility, and right or the Responsible Agents and Authorized Users of the Participant, and of the Company with regard to each Responsible Agent and Authorized User of the Participant;

(i) any term used herein that is defined in the CEA or CFTC Regulations shall have the meaning assigned to it therein; and

(j) all references herein to a time of day refer to local time in The City of New York.

1.3. Effect of Titles

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

1.4. Amendment of Rules

New Rules may be adopted, and existing Rules may be amended or repealed, by the Board of Directors. All such new Rules, amendments, or repeals shall become effective on

such date (after any required filing with, or approval thereof by, the CFTC) as may be determined by the Company.

1.5. Product Specifications and Contract Terms

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

CHAPTER 2
GOVERNANCE

2.1. Ownership

The Company is a Delaware limited liability company. The management and operation of the Company is governed by the Operating Agreement and the Rules. The equity interests of the Company are owned by QCL Quad Code USA Corp a Delaware c-corporation.

2.2. Authority of the Board

(a) The Board, subject to applicable provisions in the Operating Agreement, has the authority to take actions on behalf of the Company.

(b) The Board has the power and authority to manage and direct the business and activities of the Company in accordance with Applicable Law, including but not limited to the power to establish the standards for Participant eligibility and access to the secure portions of the Company's website, the power to amend, adopt, or repeal these Rules, and the power to oversee the business conduct of Participants and impose penalties for violation of these Rules.

(c) The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees of the Board of Directors formed pursuant to Rule 2.3 and officers of the Company appointed pursuant to Rule 2.6, other than the Regulatory Oversight Committee.

(d) Notwithstanding the foregoing, the Board of Directors may, from time to time, delegate any or all aspects of the management of the day-to-day business and affairs of the Company to the Chief Executive Officer.

(e) At least 35% of the Board shall be Public Directors or such other percentage of the Board of Directors as may be required by CFTC Regulations, as amended from time to time. In the event of a tie vote, the matter shall be deemed not approved unless otherwise provided in the Operating Agreement.

(f) To qualify as a Public Director, an individual must be found, by the Board and on the record, to have no Material Relationship with the Exchange. A Material Relationship is one that reasonably could affect the independent judgment or decision-making of the Director.

2.3. Standing Committees

(a) Unless otherwise determined by the Board, the Board shall initially have one standing committee: the "Regulatory Oversight Committee." The Regulatory Oversight Committee shall have the authority granted to a regulatory oversight committee under Applicable Law and by the Board. The Board may create such additional standing committees of the Board as they may from time to time deem necessary or advisable. Members of such committees must be members of the Board. Each standing committee shall assist in the supervision, management, and control of the affairs of the Company within its particular area of responsibility and shall have the scope and authority granted to it by the Board.

(b) Except as otherwise specifically provided in these Rules, the members of standing committees shall be appointed by the chairperson of the Board, subject to approval by the Board. Each appointee shall serve for one year or until the due appointment of his or her successor or his or her resignation or removal, with or without cause, by a majority vote of the Board. Subject to approval by the Board, the chairperson of the Board shall designate the chairperson of each standing committee.

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

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

2.4. Regulatory Oversight Committee

(a) The Regulatory Oversight Committee of the Board shall consist solely of Public Directors, who shall be members of the Board, and shall be appointed from time to time by the chairperson of, and approved by, the Board. The Regulatory Oversight Committee shall operate independently of the Exchange's commercial interests.

(b) The Regulatory Oversight Committee of the Board shall oversee the Company's regulatory compliance program on behalf the Board. It shall make such

recommendations to the Board as will, in its judgment, best promote the interests of the Company, *provided* that, for the avoidance of doubt, any dissenting opinions from one or more members of the Regulatory Oversight Committee shall be reported to the Board along with any such recommendation. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as the Board may delegate to it from time to time.

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

2.5. Additional Board Committees and Panels

(a) In addition to the standing committees, the Board may create committees or panels, for such purposes as may be necessary or advisable, as determined by the Board from time to time.

(b) Members of each such committee or panel may be members of the Board, Participants, Authorized Users, or such other individuals as may be qualified to serve on such committee. At least 35% of the members of each such committee designated by the Board shall be Public Directors (or individuals that would qualify as Public Directors if they were directors of the Board) or such other percentage of the Board as may be required by CFTC Regulations, as amended from time to time.

(c) Any such committee or panel may serve indefinitely or for specified, limited periods of time, as determined by the applicable Board of Directors.

(d) Subject to the authority of the Board, each standing committee shall determine the manner and form in which its proceedings shall be conducted and may act at a meeting or without a meeting, and through a quorum composed of a majority of all its members then in office, inclusive of *ex officio* members.

2.6. Officers

(a) The Board shall appoint a Chief Executive Officer, Chief Compliance Officer and Chief Financial Officer and may appoint other such officers from time to time as

determined by the Board of Directors (each individually an "**Officer**"). These Officers are appointed and may be dismissed (with or without cause) by majority vote of the Board of Directors. An individual may hold multiple Company Officer positions simultaneously, as determined by the Board of Directors. Any officer of the Company may also be a director, officer, or employee of an Affiliate of the Company.

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

(c) The Chief Compliance Officer of the Company will be responsible for managing the day-to-day regulatory compliance functions of the Company. The Chief Compliance Officer will also keep the minutes of the meetings of the Board of Directors.

(d) The Chief Financial Officer of the Company will be responsible for all funds and other financial assets of that entity and in general perform all duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned by that entity's Chief Executive Officer or the Board of Directors. If the function of the office of the Chief Financial Officer is outsourced to a service provider, the Chief Executive Officer shall be responsible for oversight of this function.

(e) The Board shall appoint a Chief Risk Officer. The Chief Risk Officer of the Company will be responsible for managing the Company's risk management operations.

2.7. Eligibility

(a) No Person may serve as an Officer or Director of the Company, or serve on any disciplinary committee, arbitration panel or oversight panel of the Company or as the Chief Compliance Officer if such Person:

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

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

iii. is currently suspended from trading on any contract market, is suspended or expelled from membership from any Self-Regulatory Organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:

A. a finding by a final decision of a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction, or the CFTC that such person committed a disciplinary offense; or

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

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

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

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

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

(b) For purposes of this Rule 2.7, the terms "settlement agreement," "final decision," and "disciplinary offense" have the meanings set forth in CFTC Regulations § 1.63(a).

(c) To qualify as a Public Director, an individual must be found, by action of the Board, on the record, to satisfy the requirements of a "public director" under Appendix B to Part 38 of the CFTC Regulations.

(d) To qualify as an Officer, an individual may not be a Participant or be an employee, officer, or director of a Participant or receive compensation related to a Participant.

(e) In addition to the requirements of Rule 2.7(a), (c), and (d), the Chief Compliance Officer appointed by the Company must be an individual who (i) is knowledgeable about futures trading and futures market operations as well as CFTC Regulations; and (ii) reports directly to the Regulatory Oversight Committee of the Company for regulatory matters related to the Company, and, for all other purposes, reports to the Chief Executive Officer.

2.8. Emergency Rules

(a) In the event of an Emergency, as described in Rule 2.8(c), the Chief Executive Officer or any individual designated by the Chief Executive Officer may place into immediate effect a temporary emergency rule, which may remain in effect for up to thirty (30) calendar days, to undertake actions necessary or appropriate to respond to the Emergency, *provided*

that, as soon as reasonably practicable within such thirty (30) calendar day period, the Board of Directors considers and approves such action and, if it disapproves such action, the temporary emergency rule shall be terminated. Should the Emergency persist for longer than thirty (30) calendar days, such temporary emergency rules may be extended for additional thirty (30) calendar day periods, so long as there is: (i) an affirmative vote of two-thirds of the members of the Board of Directors at a meeting at which a quorum is present; or (ii) there is a written authorization and acknowledgement signed by at least two Officers of the Company, *provided* that, as soon as reasonably practicable within such thirty (30) calendar day period, the Board of Directors considers and approves such action and, if it disapproves such action, the temporary emergency rule shall be terminated. In any event, the rationale for invoking such emergency authority should be documented by the Board of Directors as soon as reasonably practicable.

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

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

i. any trading activity that constitutes manipulation or attempted manipulation of a Contract;

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

iii. any circumstance that may materially affect the performance of a Contract, including failure of the payment system or bankruptcy or insolvency of any Participants;

iv. any action taken by the United States or foreign regulatory, judicial, arbitral, governmental (whether national, state or municipal) body; any other contract market or board of trade; or any other exchange, market, facility, or trade association (foreign or domestic) that may affect the ability of a Participant to perform on Contracts or otherwise have a direct and material impact on trading on the Exchange;

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

vi. any circumstance in which it appears that a Participant or any other person is in such operational condition, or is conducting business in such

a manner, that such person cannot be permitted to continue in business without jeopardizing the safety of Participants or the Company itself; and

vii. any other unusual, unforeseeable, and adverse circumstance which, in the opinion of the governing board, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to Contracts traded on the Company.

(d) If deemed necessary to combat perceived market threats caused by an Emergency, a Company official authorized to do so may suspend trading on the Company during the duration of the emergency or take any other action that the official thinks is necessary or appropriate. The official will order an end to the action taken in response to the emergency as soon as the official determines that the emergency has sufficiently abated to permit the Company to function properly. Actions resulting under this Rule include but are not limited to:

i. modifications to limits on positions;

ii. reduction of positions and exposure by Participants to certain Contracts;

iii. cancellation of a Contract and return of any funds paid to enter Trades on the Contracts;

iv. extension/shortening of the expiration and/or closing date of a Contract;

v. suspension and curtailing of trading; and

vi. changing a Contract's terms and conditions and/or specifications.

(e) If deemed necessary to combat operational inefficiencies or technical deficiencies, a member of the management team (including the Board of Directors, Chief Executive Officer, Chief Operating Officer, Chief Technology Officer, or Chief Compliance Officer) may direct a control desk operator to suspend trading on the Exchange to conduct maintenance. Such emergency maintenance windows will be announced on the Company's website.

(f) A control desk supervisor may pause trading on the Exchange upon the occurrence of, or threat of, an Emergency as described in Rule 2.8(c), provided that: (i) the control desk supervisor reports the pause and the reasons therefor to the Chief Technology Officer within twelve (12) hours of implementation; and (ii) any pause lasting more than twenty-four (24) hours requires the prior written approval of the Chief Technology Officer, failing which the pause shall be lifted upon expiration of such period.

(g) The Company will make every effort practicable to notify the Director of the Division of Market Oversight of the CFTC, the Director's delegates, and/or other persons designated by the CFTC's Regulations that the Company intends to implement, modify, or terminate a temporary emergency rule pursuant to Rule 2.8(a) or an action in response to an emergency pursuant to Rule 2.8(d) prior to the implementation, modification, or termination of the

rule or action. If it is not possible to notify the CFTC prior to the implementation, modification, or termination of the rule or action, the Company will notify the CFTC promptly of the implementation, modification, or termination of the rule or action in no event more than 24 hours after implementation, modification, or termination.

2.9. Scheduled and Ad Hoc Maintenance Windows

The Company may suspend trading on the Exchange for scheduled or ad hoc maintenance purposes that do not constitute an Emergency under Rule 2.8(c). The Company will provide at least twenty-four (24) hours advance notice of any such maintenance window by posting notice on the Company's website specifying the anticipated start time and expected duration. Scheduled maintenance windows that recur on a regular basis may be established by a single notice, provided the Company maintains a current schedule on its website. Maintenance windows under this Rule may be authorized and implemented by a member of the management team (including the Board of Directors, Chief Executive Officer, Chief Operating Officer, Chief Technology Officer, or Chief Compliance Officer), who shall direct a control desk operator to implement the relevant suspension.

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

(a) No Company Personnel and no member of any committee or panel established by the Board shall use or disclose any material, non- public information obtained in connection with the performance of his or her official duties, for any purpose other than the performance of his or her official duties.

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

(c) No Company Personnel shall trade in any Contract, either for their own accounts or for the accounts of any other Persons.

(d) No Company Personnel, no Company Affiliates, and no member of any committee established by the Board of Directors of the Company shall trade in any Contract or related contract or financial instrument on the basis of material non-public information of the Company. For the avoidance of doubt, any Person who, by virtue of their role with, or as an Affiliate of, the Company, acquires material non-public information of the Company is prohibited from trading on the basis of such material non-public information, or disclosing such material non-public information except as consistent with their official duties.

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

2.11. Conflicts of Interest

(a) The Company prohibits members of the Board of Directors or any disciplinary or oversight committee or subcommittee from taking part in any deliberations or voting on any matter in which members of the Board of Directors, committee, or subcommittee member have an interest or have a relationship with a named party in interest.

(b) Named Party in Interest Conflict

i. No member of the Board, Board Committee, or Disciplinary Panel shall participate in such body's deliberations or voting in any matter involving a named party in interest where such member:

A. is the named party in interest in the matter;

B. is an employer, employee, or fellow employee of a named party in interest;

C. is associated with a named party in interest through a "broker association" as defined in CFTC Regulation 156.1;

D. has any other significant, ongoing business relationship with a named party in interest, excluding relationships limited to Contracts; or

E. has a family relationship (i.e., the member's spouse, parents, children, and siblings, in each case, whether by blood, marriage, or adoption, or any person residing in the home of the member or that of his or her immediate family) with a named party in interest.

ii. Prior to consideration of any matter involving a named party in interest, each member of the deliberating body shall disclose to the Chief Compliance Officer whether such member has one of the relationships listed above with a named party in interest.

iii. The Chief Compliance Officer shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this Rule 2.10(b). Such determination shall be based upon a review of the following information:

A. information provided by such member pursuant to Rule 2.10(b)(ii); and

B. any other source of information that is held by and reasonably available to the Company.

iv. In the event of a conflict involving the Chief Compliance Officer as a member of the deliberating body, the other members of the deliberating body shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this Rule 2.10(b).

(c) Financial Interest in a Significant Action Conflict

i. No member of the Board, Board Committee, or Disciplinary Panel shall participate in the body's deliberations or voting on any significant action if such member knowingly has a direct and substantial financial interest in the result of the vote based upon either the Company or non-Company positions that could reasonably be expected to be affected by the action.

ii. Prior to consideration of any significant action, each member of the deliberating body who does not choose to abstain from deliberations and voting shall disclose to the Chief Compliance Officer any information that may be relevant to a determination of whether such member has a direct and substantial financial interest in the result of the vote.

iii. The Chief Compliance Officer shall determine whether any member of the relevant deliberating body who does not choose to abstain from deliberations and voting is subject to a conflicts restriction under this Rule 2.10(c) based on a review of the totality of the circumstances.

iv. Any member who would otherwise be required to abstain from deliberations and voting pursuant to this Rule 2.10(c) may participate in deliberations, but not in voting, if the deliberating body, after considering the factors specified below, determines that such participation would be consistent with the public interest (e.g. if the member has significant expertise and background that provides useful context); *provided*, *however*, that before reaching any such determination, the deliberating body will fully consider the information specified in Rule 2.10(c)(ii) which is the basis for such member's direct and substantial financial interest in the significant action that is being contemplated. In making its determination, the deliberating body shall consider:

A. whether such member's participation could unduly influence the outcome of the deliberations;

B. whether such member's participation in the deliberations is necessary to achieve a quorum; and

C. whether such member has unique or special expertise, knowledge or experience in the matter being considered.

v. In the event of a conflict involving the Chief Compliance Officer as a member of the deliberating body, the other members of the deliberating

body shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this Rule 2.10(c).

(d) The minutes of any meeting to which the conflicts determination procedures set forth in this Rule 2.10 apply shall reflect the following information:

i. the names of all members who participated in such meeting;

ii. the name of any member who voluntarily recused himself or herself or was required to abstain from deliberations or voting on a matter and the reason for the recusal or abstention, if stated;

iii. the information that was reviewed for each member of the relevant deliberating body; and

iv. any determination made in accordance with Rule 2.10(b) or Rule 2.10(c).

(e) Directors shall annually submit a disclosure statement identifying any real, potential, or perceived conflicts of interest, including those involving any Affiliate during the immediately preceding year.

2.12. Indemnification of Members of the Board of Directors, Officers, and Others

(a) The Company will indemnify to the full extent authorized by law any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative in nature, by reason of the fact that such person is or was Company Personnel against expenses, including attorneys' fees, judgments, fines, and amounts paid in connection with such action, suit, or proceeding. Such indemnification shall not be deemed exclusive of any other rights to which a person may be entitled under any agreement or as a matter of law or otherwise.

(b) The Company may purchase and maintain insurance on behalf of any person who is or was Company Personnel against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of this Rule 2.11.

(c) Notwithstanding the above, no person shall be indemnified from liability for fraud, bad faith, willful misconduct, or gross negligence. Further, no person shall be indemnified against a civil penalty imposed by the CFTC under Section 6b of the CEA.

2.13. Regulatory Cooperation

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

regulatory purposes as the Company may consider necessary or appropriate or as the CFTC may require.

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

(c) All information received by the Company with respect to any information sharing agreement, shall be held in confidence by the Company and shall not be provided to any of its nonregulatory departments or divisions or any other person (including to any affiliate of the Company), except as follows:

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

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

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

2.14. Regulatory Services Agreement with the NFA

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

CHAPTER 3
PARTICIPANTS

3.1. Participant Eligibility

(a) To be eligible to become or remain a Participant, a Person must: (i) meet all applicable financial, operational, and regulatory requirements; (ii) be registered with the CFTC or NFA where required; (iii) satisfy the Exchange that it possesses adequate operational capability, risk controls, and supervisory procedures; and (iv) satisfy such other requirements or criteria as may be from time to time be adopted by the Company.

(b) Entity Participants must generally satisfy the following criteria and represent to the Company that it:

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

ii. has the legal authority and is duly authorized and empowered to become an Entity Participant and to effect transactions in Contracts on the Company, or to effect transactions in any other relevant contracts, agreements or transactions, cleared through the Clearinghouse;

iii. is not subject to a statutory disqualification under Sections 8a(2) or 8a(3) of the CEA and is not otherwise prohibited from using the services of the Exchange for any reason whatsoever;

iv. has a mechanism that is acceptable for transferring funds to and receiving funds from the Entity Participant's corresponding Account at the Clearinghouse or is guaranteed as a Customer of a Clearing Member;

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

vi. satisfies such other requirements or criteria as may from time to time be adopted by the Company.

(c) Individual Participants must generally satisfy the following criteria and represent to the Company that the Individual Participant:

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

ii. is not subject to a statutory disqualification under sections 8a(2) or 8a(3) of the CEA, and is not otherwise prohibited from using the services of the Company for any reason whatsoever;

iii. has a mechanism that is acceptable for transferring funds to and receiving funds from the Individual Participant's corresponding Account at the Clearinghouse or is guaranteed as a Customer of a Clearing Member; and

iv. satisfies such other requirements or criteria as may from time to time be adopted by the Company.

(d) Notwithstanding anything to the contrary in this Chapter 3, in considering any applicant for status as a Participant or an Authorized User of a Participant, the Company may request additional information, or employ such other means that it deems desirable or appropriate, to ascertain relevant facts bearing on the applicant's qualifications.

(e) The Company in its sole discretion may deny (or may condition) the grant of Trading Privileges of any Participant or any Authorized User if such Person is unable

satisfactorily to demonstrate a capacity to adhere to all applicable Rules and CFTC Regulations, or for such other causes as the Company may determine from time to time.

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

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

ii. fails to meet any condition placed by the Company on such Trading Privileges and/or Clearing Privileges or status as an Authorized User;

iii. is obligated to submit a notice to the Company under Rule 3.10(h); or

iv. violates any agreement with the Company, any Rule or any provision of Applicable Law.

3.2. Affiliate Eligibility

(a) Affiliates of the Company are permitted to become Participants on the same terms and conditions as other Participants, and to trade on the Company and clear through the Clearinghouse, pursuant to an action of the Board of Directors, subject to the following conditions, which shall be applicable and enforced at the time of approval and on an ongoing basis thereafter:

i. such Affiliate has access to the Company and the Clearinghouse on terms and conditions that are not preferential relative to other Participants, including compliance with all Rules in this Rulebook;

ii. the Company has established controls and procedures so that such Affiliate has no access to any Company material non-public information including but not limited to information regarding order flow, trading, settlement, and compliance;

iii. the Company has established and maintains physical operations that are separate from those of such Affiliate;

iv. such Affiliate has not received capital from the Company;

v. the Company has ensured such Affiliate does not have access to the Company operations, including servers, databases, accounts, or source code, except to the extent that other Participants have such access and, in that event, only on the same terms and conditions applicable to other Participants;

vi. such Affiliate has represented that it does not access or utilize systems or features in trading on the Company or clearing through the Clearinghouse that are not available to other Participants; and

vii. such Affiliate has represented that it will comport itself in a manner to maintain market integrity on the Trading System and the Clearinghouse, and will act in a fair and responsible manner in all of its activities on the Company and the Clearinghouse, including, when applicable, the disclosure to the Company of any actual or potential conflicts of interest in its operations, algorithms, or systems.

viii. Prior to an Affiliate trading on the Company, or if the information about the trading activities of the Affiliate changes materially, the Company will, prior to the commencement of such trading, put in place necessary controls to ensure that the provisions of this Rule 3.2(a) are complied with and will notify other Participants of the restrictions on Affiliates' trading activities by including a notice on the Company website that discloses the Affiliates' purpose in trading on the Company and provides a summary of the procedures in place to manage and disclose actual or potential conflicts of interest and effects on trading to ensure market integrity and fairness are preserved.

3.3. Direct Access Participant Application

(a) Individual Participants and Entity Participants may apply to be a Direct Access Participant. To apply to become a Direct Access Participant, an applicant must submit an executed Participant and Clearing Member Agreement, all application documents set forth in the Participant and Clearing Member Agreement, and any other relevant information upon request.

(b) Each applicant to become a Direct Access Participant shall promptly update the application materials if any of the information provided therein becomes inaccurate or incomplete. The Company shall act upon, and approve or disapprove, any such application without unreasonable delay.

(c) Submission of a Direct Access Application constitutes the applicant's affirmation that they satisfy the relevant requirements in Rule 3.1 and agreement to be bound by these Rules and other Company policies. Among other things, this includes the applicant's agreement to become a member of the Clearinghouse and be bound by the Clearinghouse's Rules.

(d) The Company may in its sole discretion approve, deny, or condition any Direct Access Application as the Company deems necessary or appropriate.

(e) Upon the Company's approval of an applicant's Direct Access Participant application and upon the Company's confirmation that the initial fee payable by the applicant has been paid to the Company, if any, the applicant shall become a Participant and obtain Trading Privileges.

(f) If the Company denies a Direct Access Participant application, the applicant may appeal the decision by filing with the Compliance Department a petition for review of such application denial or trading limitation within thirty (30) Business Days from the date up on which the Company provided notice of the denial of the application. The petition should describe in detail the reasons why the application should be granted. Following review of the application, the Compliance Department will issue a final decision not subject to appeal. An applicant whose Participant application has been denied by the Compliance Department will not be eligible for reapplication during the six (6) months immediately following such denial.

3.4. FCM Participant Application

(a) An applicant to be an FCM Participant must satisfy the relevant requirements in Rule 3.1 and the following criteria:

i. be a corporation, limited liability company, partnership or other entity approved by the Company, duly organized and in good standing in its state of organization;

ii. be registered with the CFTC as a Futures Commission Merchant;

iii. maintain back-office facilities staffed with experienced and competent personnel or has entered into an agreement in form and substance acceptable to the Company; and

iv. maintain minimum regulatory capital (1) required under applicable law, including as set forth in CFTC Regulation 1.17 for any Futures Commission Merchant; and (2) any applicable capital requirements imposed on applicant by the CFTC, another Government Agency or Self- Regulatory Organization.

(b) The Company may in its sole discretion approve, deny, or condition any FCM Participant application as the Company deems necessary or appropriate.

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

(d) If the Company denies an FCM Participant application, the applicant may appeal the decision by filing with the Compliance Department a petition for review of such application denial or trading limitation within thirty (30) Business Days from the date up on which the Company provided notice of the denial of the application. The petition should describe in detail the reasons why the application should be granted. Following review of the application, the Compliance Department will issue a final decision not subject to appeal. An applicant whose Participant application has been denied by the Compliance Department will not be eligible for reapplication during the six (6) months immediately following such denial.

3.5. Broker Participant Application

(a) An applicant to be a Broker Participant must satisfy the relevant requirements in Rule 3.1 and the following criteria:

i. be a corporation, limited liability company, partnership or other entity approved by the Company, duly organized and in good standing in its state of organization;

ii. be registered with the CFTC as an Introducing Broker or other appropriate registration;

iii. maintain back-office facilities staffed with experienced and competent personnel or has entered into an agreement in form and substance acceptable to the Company;

iv. maintain minimum regulatory capital (1) required under applicable law, including as set forth in CFTC Regulation 1.17 for any Introducing Brokers; and (2) any applicable capital requirements imposed on applicant by the CFTC, another Government Agency or Self-Regulatory Organization; and adopt, adhere to, and enforce written compliance and supervisory policies and procedures in accordance with NFA Compliance Rule 2-9 and promptly provide, upon request by the Company, the CFTC or NFA, information related to the compliance and supervisory policies, procedures, and practices of the Broker Participant.

(b) The Company may in its sole discretion approve, deny, or condition any Broker Participant Application as the Company deems necessary or appropriate.

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

(d) If the Company denies a Broker Participant application, the applicant may appeal the decision by filing with the Compliance Department a petition for review of such application denial or trading limitation within thirty (30) Business Days from the date up on which the Company provided notice of the denial of the application. The petition should describe in detail the reasons why the application should be granted. Following review of the application, the Compliance Department will issue a final decision not subject to appeal. An applicant whose Participant application has been denied by the Compliance Department will not be eligible for reapplication during the six (6) months immediately following such denial.

3.6. Customers of FCM and Broker Participants

(a) Customers of an FCM Participant are not required to submit a Participant and Clearing Member Agreement.

(b) Each Customer of a Broker Participant must execute a Participant and Clearing Member Agreement and shall accordingly be a Direct Clearing Member who clears transactions directly through the Clearinghouse.

(c) Customers of an FCM Participant or Broker Participant are subject to and required to adhere to these Rules. The applicable FCM Participant or Broker Participant must ensure and document that each of its Customers have received this Rulebook (and any applicable policies) and acknowledges that these Rules apply to the Customer's activity on or subject to the Rules of the Exchange.

(d) a Customer is a Direct Access Participant unless it accesses the Trading System through an FCM Participant.

(e) A Customer that is also a Direct Access Participant must notify the Company of the identity of each intermediary relationship in the form and manner the Company prescribes.

(f) A Customer may maintain accounts with multiple FCM Participants or Broker Participants, provided the Customer does not intentionally match its own orders across such accounts. If a Customer maintains multiple accounts, the Customer (directly or via its intermediary) shall disclose the identity of each such account to the Company in the form and manner the Company prescribes.

(g) For purposes of notice under these Rules, notice to an FCM Participant (or Broker Participant) shall be deemed notice to its Customer, and the Company may also provide notice by posting to the Company website consistent with its general notice procedures.

(h) Upon request of the Company, the applicable intermediary shall provide current Customer contact information (including email) sufficient to effect service of process and notices contemplated by Chapter 8.

(i) Intermediaries remain responsible for supervision of their Customers' activity and for complying with information requests; provided an FCM Participant with a Customer who is also a Direct Access Participant is not responsible for supervising and does not guarantee any activity or trades made by such Customer in its role as a Direct Access Participant. Customers remain subject to these Rules and Applicable Law.

3.7. Authorized Users

(a) Each Participant that is not a natural person shall be required to appoint one or more individuals to act as its Authorized User or Authorized Users, as applicable. Participants that are natural persons may act as their own Authorized User or may appoint a third party as his or her Authorized User, pursuant to a power of attorney or other instrument, in a form prescribed or approved by the Company, providing such third party with discretionary or non-discretionary trading authority with respect to the Participant's Account. The third party to which an individual Participant grants trading authority may be a related person of the Participant, or any unaffiliated party.

(b) Each Authorized User with discretionary trading authority with respect to the Participant's Account (i) must be a natural person and (ii) must satisfy any other requirements as may be prescribed by the Company from time to time.

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

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

i. an Authorized User has failed, or has caused the Participant to fail, to comply with the Rules of the Company;

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

iii. an Authorized User has failed to comply with the conditions set forth in Rule 3.7(c); or

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

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

(f) The registration of an Authorized User will be withdrawn upon the written request of either the Authorized User or the Participant for which an Authorized User is registered. Such written request shall be submitted in a manner prescribed by the Company. Until such written request is received and processed by the Company, or an Authorized User's registration is suspended or withdrawn pursuant to Rule 3.7(d), a Participant will be responsible for all activity of such Authorized User(s) related to the Company.

(g) An Authorized User shall not knowingly act as the counterparty, in any capacity, to any Order that the Authorized User placed or caused to be placed for another account (including a Customer of an FCM Participant or Broker Participant) or for the Authorized User's own or commonly controlled account. This restriction applies regardless of whether the Authorized User accesses the Trading System directly or through an intermediary.

(h) Where a Customer accesses the Trading System through an FCM Participant or Broker Participant, only individuals authorized by the applicable intermediary may

submit Orders on the Customer's behalf. The FCM Participant shall restrict system access so that only the Authorized User of its Customer may enter Orders.

(i) Broker Participants and FCM Participants may enter Orders on behalf of Customers, subject to Rule 7.2(q). Customers of Broker Participants and FCM Participants shall be deemed Participants for purposes of compliance with these Rules.

(j) For each Order submitted by or on behalf of a Participant through an Authorized User, the Participant shall provide to the Company, with each order message, a distinct identification code identifying the Authorized User authorized to enter that Order on the Participant's behalf and shall provide to the Company upon request the name, contact information, and other requested information for such Authorized User.

(k) Where the Customer is not an individual, the FCM Participant or Broker Participant shall, when required by the Company, ensure the Customer has and maintains a Legal Entity Identifier (LEI) acceptable under CFTC regulations and provide it to the Company.

(l) The Company may rely on instructions received through valid credentials and identification codes supplied under this Rule and may suspend or withdraw the ability of any identified order-entry individual (or require the intermediary to do so) where necessary to protect market integrity or for violations of these Rules; notice to the intermediary is deemed notice to the affected Customer. The intermediary must promptly notify the Customer and disable the individual's access upon the Company's instruction.

3.8. Amounts Payable by Participants

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

(b) Unless the Company, at its discretion, elects not to do so in any particular instance, the Company will withdraw the relevant fees directly from each Participant's Account at the Clearinghouse or Clearing Member's Customer Account at the Clearinghouse. The Participant agrees to pay, and authorizes the Company to withdraw from its Account: (i) any fees or charges associated with any transactions executed on the Company for its Account at such rate as is posted on the Company's website; (ii) any costs or expenses incurred by the Company in connection with its Account, including, but not limited to, any non-sufficient funds charges or charges imposed by the Clearinghouse's Settlement Bank; (iii) any other charges agreed upon between the Participant and the Company; and (iv) any other fines or penalties that may be imposed by the Company from time to time.

(c) If a Participant fails to pay when due any the Company fees or other amounts due by such Participant, and such payment obligation remains unsatisfied for thirty (30) Business Days after its due date, the Company as it deems necessary or appropriate, may suspend, revoke, limit, condition, restrict, or qualify the Trading Privileges of such Participant and its

Authorized Users. Moreover, the Company may submit any amounts owed by a Participant in excess of thirty (30) Business Days to a third-party collection agency. The Company reserves the right to pursue any and all allowable legal action, whether criminal or civil, against the Participant to recover losses incurred as the result of fraud or misconduct, including attorney's fees and other legal expenses, and any other remedies permitted by law.

3.9. Participant Accounts

(a) Each Participant will be responsible for all Orders, transactions and other activity in or through its Account and for all amounts due with respect to any such Orders, transactions or other activity, including but not limited to required amounts of margin and premiums.

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

(c) Each Participant shall fund or cause to be funded any Account maintained on or subject to these Rules or the Clearinghouse Rules only from financial accounts or payment methods that are held in the name of such Participant and beneficially owned and controlled by such Participant, except as expressly permitted by the Company or the Clearinghouse pursuant to the Clearinghouse Rules.

(d) No Participant shall fund or cause to be funded any Account using assets, payment methods, or financial accounts that are held solely: in the name of, beneficially owned by, or controlled in whole by any third party, unless such funding is expressly permitted by the Company or the Clearinghouse Rules.

(e) Each Participant represents and warrants, on a continuing basis, that: (i) all funds deposited into or credited to its Account by or on behalf of such Participant originate from financial accounts or payment methods that satisfy Rule 3.9(c); (ii) the Participant has legal and ownership of, and control over, such funding sources; and (iii) the Participant will not use any funding source in a manner intended to evade the Company's, the Clearinghouse's, an intermediary's, or a payment processor's customer identification, AML, fraud-prevention, risk, or compliance controls.

(f) The Company, in coordination with the Clearinghouse where applicable, may permit or recognize funding arrangements that do not strictly satisfy Rule 3.9(c), including in connection with: (i) Customer Accounts maintained by an FCM Participant or FCM Clearing Member, subject to Applicable Law, segregation requirements, and the Rules and Clearinghouse Rules; (ii) omnibus, custodial, trust, estate, guardianship, agency, or similar accounts where the legal and beneficial ownership and control structure is transparent and approved; (iii) affiliated entities or centralized treasury arrangements where ownership and control structures are transparent and approved; (iv) payments, credits, refunds, rebates, fee adjustments, incentive payments, administrative advances, or other amounts credited by the Company, the Clearinghouse, an FCM Participant, a Broker Participant, a payment processor, a Settlement Bank, or other approved service

provider in the ordinary course; or (v) other circumstances deemed appropriate by the Company or the Clearinghouse, subject to risk, compliance, fraud-prevention, AML, operational, and regulatory considerations. Any exception may be subject to written documentation, conditions, controls, certifications, disclosures, or periodic review.

(g) The Company may require a Participant, FCM Participant, Broker Participant, Authorized User, or Responsible Agent to provide documentation, certifications, payment records, account ownership information, beneficial ownership information, or other evidence sufficient to verify compliance with this Rule. A Participant must cooperate promptly and fully with any Company, Clearinghouse, regulatory, or law-enforcement inquiry relating to funding sources, payment methods, account ownership, beneficial ownership, or control.

(h) Any funding or attempted funding in violation of this Rule may be rejected, reversed, returned, restricted, held, or otherwise addressed by the Company, the Clearinghouse, an FCM Participant, a Broker Participant, a Settlement Bank, payment processor, or other approved service provider, as applicable. The Company may also condition, restrict, suspend, or revoke Trading Privileges; place an Account in liquidation-only status; cancel open Orders where appropriate; require remediation; refer the matter to the Clearinghouse, the CFTC, NFA, law enforcement, or other authority; and/or treat the conduct as a violation subject to disciplinary proceedings under Chapter 8. Nothing in this Rule limits the rights, powers, or remedies of the Clearinghouse under the Clearinghouse Rules.

3.10. Obligations Applicable to All Participants

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

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

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

(d) Each Participant consents to allow the Company to disclose all information the Company has in its possession or control regarding the Participant, including the Participant's trading activity, to any Person or other entity, including the CFTC or any other regulatory agency,

law enforcement authority, or judicial tribunal, as the Exchange believes is necessary and appropriate to exercise a legal or regulatory function, whether or not a formal arrangement governing the disclosure exists or a formal request for the information was made.

(e) The Rulebook, all amendments thereto and notices and policies thereunder, as well as the specifications for the Contracts from time to time traded and cleared on the Company, will be publicly available on the Company website. Each Participant and each Participant's Authorized Users(s) will be automatically bound by any notices, interpretations, guidance, Rule changes, or other material posted by the Company on its website, without any further action by the Participant. Each Participant is required to review the "Notices" section of the Company website to make themselves aware of material changes to these Rules or other notices that may affect their rights and obligations as a Participant of the Company. As mentioned above, the Company shall publish a notice with respect to each addition to, modification of, or clarification of, the Rules, any action to implement any Rules, or any notices, interpretations, or guidance, in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such material, prior to the effective date thereof; *provided* that any failure of the Company to so publish a notice shall not affect the effectiveness of the material in question. For purposes of publication in accordance with the first sentence of this Rule 3.10(e), it shall be sufficient (without limiting the discretion of the Company as to any other reasonable means of communication) if a notice is published on the Company's website.

(f) Each Participant must provide the Company with the current electronic mail address for each of its Authorized Users and immediately (and in any event within twenty-four (24) hours) update each such address whenever it changes. All communications between the Company and the Participant (and its Authorized Users) will be transmitted by email and/or posted on the Company website. For Customers of an FCM Participant or a Broker Participant, the applicable intermediary shall collect, maintain, and, upon the Company's request, promptly provide the current electronic mail address of the Customer and of each individual Authorized to enter Orders on the Customer's behalf, and shall update such addresses immediately (and in any event within twenty-four (24) hours) after any change. Intermediaries must maintain controls sufficient to ensure that each Order message is associated with a distinct identification code for the individual entering the Order and that the Company can map such code to current contact information for that individual upon request. For notice and service under these Rules, notice to an FCM Participant or Broker Participant shall be deemed notice to its Customers; however, the Company may also serve a Customer directly using the Customer's electronic mail address obtained from the intermediary.

(g) Each Participant must maintain all books and records required to be kept by the Act or CFTC (including audit trail information), including, but not limited to, CFTC Regulations 1.31 and 1.35 if applicable, and must be able to produce this data in a standard format upon request from the Company.

i. Each Participant which holds a position that is in excess of the Position Accountability Levels of any Contract must prepare, maintain, keep current and retain those books and records for the life of each Contract, including records of the instrument used as a reference price, underlying commodities and related derivatives for five (5) years following the

termination of such Contract, and any other books and records required by these Rules, the CEA and CFTC Regulations for the time period required by these Rules, the CEA and CFTC Regulations.

ii. The books and records required to be kept under Rule 3.10(g)(i) shall be readily available for inspection, at any time, on a routine or non-routine basis and promptly provided to the Company, the NFA, the CFTC, the SEC, or the U.S. Department of Justice, upon request, in each case in the form and manner required under these Rules, and/or the CEA and CFTC Regulations.

iii. Participants that provide connectivity to the Trading System are responsible for maintaining, or causing to be maintained, front-end audit trail for all electronic Orders, including Order entry, modification, cancellation, and responses to such messages, entered on the Trading System. The audit trail must contain all Order receipt, Order entry, Order modification, and response or receipt times to the highest level of precision achievable by the operating system, in accordance with CFTC requirements for electronic Orders and no more than one second for non-electronic Orders. The times captured must not be able to be modified by the Person entering the Order. Notwithstanding any of the provisions of this Rule, each Participant is obligated to comply with the provisions of CFTC Regulation 1.35 as applicable to that Participant. In the case where the Clearing Member has a Customer that is another Clearing Member, the Clearing Member may notify the Clearing Member in writing that it is their obligation to maintain the electronic audit trail and it shall be the duty of the Clearing Member to maintain an electronic audit trail pursuant to this rule.

iv. The Company may require, at least on an annual basis, its Participants to verify compliance with these audit trail and recordkeeping requirements. Participants also may be subject to periodic audit trail spot checks, depending upon any indicators that any Participant is failing to adhere to Company rules pertaining to audit trail requirements, Participant obligations, or any other failures to provide information to the Company upon request. The findings of such Company reviews will be documented and maintained as part of the books and records of the Company. The reviews may include, but not be limited to, the following: review of random samples of audit trail data; review of the process by which identifications are assigned to records and users and how the records are maintained; and review of account numbers and identifiers in trade records to test for accuracy and improper use.

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

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

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

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

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

B. any transaction in or advice concerning swaps, futures, options on futures, leveraged transactions, or securities.

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

v. that the Participant, any of the Participant's officers, employees, agents or any of the Participant's Authorized Users is currently a party to any investigation or proceeding, the resolution of which could result in an event described in Rule 3.10(h)(i)-iv;

vi. of any other material change in any information contained in the Participant's application to become a Participant on the Company;

vii. of becoming subject to reporting under CFTC Regulation 1.12, where in addition to such notice, the Participant also provides any such reports required under CFTC Regulation 1.12 to the Company;

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

ix. of information that concerns any financial or business developments that may materially affect the Participants' ability to continue to comply with participation requirements.

(i) Upon the receipt of such notice, the Company may take any action it determines to be appropriate, in its sole discretion with respect to such Participant, including but not limited to the revocation of such Participant's Trading Privileges.

(j) Each Entity Participant must diligently supervise all activities of the Participant's officers, employees, and/or agents, including all Authorized Users, relating to transactions effected on the Company. Any violation of these Rules by any officer, employee, or agent of a Participant, including its Authorized Users, may constitute a violation of the Rules by such Participant.

3.11. FCM Participant Obligations

(a) FCM Participants must comply with all Applicable Law, including but not limited, all applicable CFTC Regulations, CFTC Regulation 1.10 through 1.12, 1.18, 1.20 through 1.32, 155.3, 166.3, and Part 22, and the obligations applicable to all Participants set forth in Rule 3.10.

(b) Each FCM Participant must also maintain adequate policies and procedures, including:

i. risk management policies and procedures in place to ensure it is able to perform certain basic risk and operational functions at all times and to make information regarding its risk management policies, procedures and practices available the Company or the CFTC upon request;

ii. policies and procedures to monitor the credit risks of accepting trades, including give-up trades, of its Customers;

iii. policies and procedures acceptable to the Company that identifies each of its FCM Customers by a distinct identification code, which shall be provided to the Company with each Order message submitted by such FCM Customers;

iv. policies and procedures to monitor the risks associated with proprietary trading; and

v. policies and procedures to limit the impact of significant market moves through the use of tools such as stress testing or position limits.

(c) FCM Participants must maintain an adequate accounting system, internal accounting controls, and procedures for safeguarding Customer and firm assets, where applicable. This includes, but is not limited to, the following:

i. preparation and maintenance of complete and accurate reconciliations for all accounts;

ii. resolution of reconciling items in a timely manner; and

iii. prevention of a "material inadequacy" as defined in CFTC Regulation 1.16(d)(2).

(d) FCM Participants must maintain the ability to monitor activity on an intraday and overnight basis.

(e) FCM Participants must provide appropriate staff in its offices during specified hours, on Business Days and otherwise, when such is deemed necessary by the Company to ensure the integrity of its systems or as otherwise deemed necessary for the protection of the Company.

(f) FCM Participants must ensure order entry systems, including third party systems connected to any exchange, include the ability to set automated credit controls or position limits or requiring a firm employee to enter orders.

(g) FCM Participants must make and file reports in accordance with the CFTC Regulations and NFA rules in a manner and form at such times as may be prescribed by the CFTC or NFA.

(h) FCM Participants must supervise activity by its FCM Customers and any individuals authorized to enter Orders on a Customer's behalf in connection with trading on or subject to these Rules.

(i) FCM Participants must promptly respond to any requests for information from the Company. This includes but is not limited to any information requested by the Company in order to investigate a potential violation of these Rules by a FCM customer.

(j) FCMs must perform all required KYC, CDD, and AML activities for their FCM Customers.

(k) FCM Participants must maintain supervisory systems, written policies and procedures, and pre-trade risk controls reasonably designed to achieve compliance by the FCM and its Customers with these Rules and Applicable Law, including adherence to Position Limits, credit controls, and controls to prevent erroneous or disruptive orders.

(l) FCM Participants must maintain a complete list of all omnibus and carrying broker accounts maintained on its books. Such list shall be promptly provided to the Company upon request. Information for each such account must include account name, number and address, and classification of the account as either Customer or Company.

(m) FCM Participants carrying an omnibus account must at all times reflect in its records the gross long and short positions held in such omnibus account.

(n) FCM Participants must comply with the minimum financial requirements described in section 1.17 of the CFTC Regulations and other Applicable Law, and deliver to the Company a copy of any financial information (including any accountant's certifications thereon) required by section 1.10 of the CFTC Regulations to be filed with the CFTC or provided to the

FCM's designated self-regulatory organization, in each case, within the time periods prescribed for such filing or delivery in section 1.10 of the CFTC Regulations.

(o) FCM Participant must immediately notify the Clearinghouse and Company in writing of:

i. any substantial reduction in adjusted net capital as reported on its Form 1- FR or net capital as reported on its FOCUS Report from the most recent filing of such report;

ii. any failure of the FCM Participant to remain in compliance with the minimum capital or "early warning" requirements of any Government Agency or Self-Regulatory Organizations, or such FCM Participant knows or has reason to believe that any of its Customers' adjusted net capital has fallen below the Clearinghouse's minimum capital requirements;

iii. any damage to, or failure or inadequacy of, the systems, facilities or equipment of the FCM Participant used to perform the FCM Participant's obligations under or in connection with Contracts or Customer Accounts that is not promptly remedied;

iv. any failure to comply with additional accounting, reporting, financial, and/or operation requirements prescribed by the Company or Clearinghouse;

v. any failure to maintain funds in any Customer Account sufficient to comply with applicable CFTC Regulations;

vi. any planned substantial reduction in equity capital (and, in all cases, any planned reduction in equity capital that would cause a reduction in excess adjusted net capital, excess net capital or excess liquid capital of 30% or more), including the incurrence of a contingent liability which would materially affect the FCM Participant's capital or other representations contained in the latest financial statement submitted to the Clearinghouse should such liability become fixed; provided that no such notice shall be required in the case of a reduction in capital resulting from (1) the repayment or prepayment of subordinated liabilities for which notice has been given pursuant to applicable CFTC or SEC requirements, or (2) any futures or securities transaction in the ordinary course of business between a FCM Participant and any affiliate where the FCM Participant makes payment to or on behalf of such affiliate for such transaction and then receives payment from such affiliate for such transaction within two Business Days from the date of the transaction;

vii. any change in the FCM Participant's fiscal year or its public accountants;

viii. any instance in which a Person directly or indirectly becomes a 5% direct owner of the FCM Participant;

ix. any changes in its name, business address, its telephone or facsimile number, electronic mail address, or any number or access code for any electronic communication device used by it to communicate with the Company; or

x. any external audit findings (including reviews by the FCM Participant's designated Self-Regulatory Organization).

(p) FCM Participants must provide at least thirty (30) days' prior written notice to the Clearinghouse, unless it is impractical to do so, in which case it shall provide written notice as promptly as possible, where applicable, of:

i. any proposed change in the organizational or ownership structure or management of the FCM Participant, including any merger, combination, or consolidation between the FCM Participant and another Person;

ii. the assumption or guaranty by the FCM Participant of all or substantially all of the liabilities of another Person in connection with a direct or indirect acquisition of all or substantially all of that Person's assets;

iii. the sale of all or a significant portion of the FCM Participant business or assets to another Person;

iv. a change in the direct or indirect beneficial ownership of 20% or more of the FCM Participant;

v. any change in the FCM Participant's systems provider or facilities manager used by the FCM Participant to process transactions in Contracts; or

vi. any planned changes to the FCM Participant's risk management processes or systems.

(q) Upon the receipt of a notice of the type set forth in Rule 3.11(n), the Company shall review the continuing eligibility of the FCM Participant for Trading Privileges and take any or all of the actions as permitted by these Rules.

(r) FCM Participants must have written disaster recovery and business continuity policies and procedures reasonably designed to ensure it is able to perform certain basic operational functions in the event of a significant internal or external interruption to its operations. At a minimum, the following areas must be considered in the FCM Participant's policies and procedures:

i. FCM Participants must have procedures in place to allow it to continue to operate during periods of stress with minimal disruption to either the Company or its Customers. FCM Clearing Members must perform periodic testing, including testing with the Company when so requested, of disaster recovery and business continuity plans, duplication of critical systems at back up sites and periodic backup of critical information.

ii. FCM Participants must maintain and, at the request of the Company, provide accurate and complete information for its key personnel. FCM Participants must inform the Clearinghouse of key personnel changes in a timely manner.

iii. FCM Participants must participate in coordinated testing of their disaster recovery and business continuity policies and procedures at least annually. An FCM Participant can fulfill this requirement by participating in an industry-wide testing event in which the Clearinghouse or the Company also participates.

iv. Any other additional and/or alternative requirements for FCM Participants the Company may prescribe for compliance with this Rule.

(s) FCM Participants are responsible for supervising the FCM Participant's employees and compliance with all relevant laws, regulations, and rules. FCM Participants shall be responsible for acts or omissions of its employees. Any violation of the Company's rules by a FCM Participant's employee may be considered a violation by the FCM Participant.

3.12. Broker Participant Obligations

(a) Broker Participants must comply with all Applicable Law and the obligations applicable to all Participants set forth in Rule 3.10.

(b) Broker Participants must make and file reports in accordance with the CFTC Regulations and NFA rules in a manner and form at such times as may be prescribed by the CFTC or NFA.

(c) Broker Participants must supervise activity by its Broker Customers and any individuals authorized to enter Orders on a Customer's behalf in connection with trading on or subject to these Rules.

(d) Broker Participants must promptly respond to any requests for information from the Company. This includes but is not limited to any information requested by the Company in order to investigate a potential violation of these Rules by a Broker Customer.

(e) Broker Participants must perform all required KYC, CDD, and AML activities for their Broker Customers.

(f) Broker Participants must comply with the minimum financial requirements described in section 1.17 of the CFTC Regulations and other Applicable law and notify the Company immediately if at any time its adjusted net capital falls below that amount.

(g) Broker Participants must maintain adequate controls to detect and prevent the transmission of erroneous, duplicative, or disruptive orders. Broker Participants must notify the Company promptly of any system errors, market disruption, or other anomalies that occur on their order-entry platforms.

(h) Broker Participants are responsible for supervising the Broker Participant's employees and compliance with all relevant laws, regulations, and rules. Broker Participants shall be responsible for acts or omissions of its employees. Any violation of the Company's rules by a Broker Participant's employee may be considered a violation by the Broker Participant.

3.13. Responsible Agents

(a) Each Participant that is not a natural person shall at all times have at least one employee or agent (each, a "**Responsible Agent**") designated as its administrator with respect to the use of the Company by the Authorized Users of such Participant. Each Participant that is a natural person shall serve as its own Responsible Agent. The Company may prescribe such qualification standards for Responsible Agents as it may from time to time determine necessary or advisable. Among other things, each Responsible Agent shall (i) have full control over access to the Company by the Participant (including its Authorized Users) represented by such Responsible Agent; and (ii) be able to access, and, if required, modify and withdraw, any and all Orders placed, or purported to be placed, by the Authorized Users of such Participant. The Responsible Agent(s) of any Participant shall also be solely responsible for any and all communications between the Company and such Participant, and any and all notices or other communications sent to such Responsible Agent(s) by the Company shall be binding on such Participant. Each Participant shall notify the Company promptly of any change regarding any of its Responsible Agents.

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

(c) Notwithstanding anything to the contrary in Rule 5.2(c), each Authorized User shall have his or her own unique User IDs and passwords that may be used only by such Authorized User and solely for the purpose of submitting Orders in respect of the Account for which the Authorized User has Trading Privileges.

3.14. Communications between the Company and Participants

(a) Each Participant must provide the Company with its current email address and immediately notify the Company of any changes.

(b) Communications by electronic means from the Company to the Participant will be deemed to be effective.

(c) All Participant communications with the Company, including keystrokes entered by the Participant on the Company, emails, and telephone calls, may be recorded without further notice, and such recordings may be provided to regulatory authorities (subject to and in compliance with Applicable Laws) and used as evidence in the event of any dispute. Such recordings will be and remain the sole property of the Company and will, in the absence of manifest error, be accepted by the Participant as evidence of the communications so recorded. The period of retention of such recordings shall be as required by Applicable Law or any such longer period as may be determined by the Company in its sole discretion. Further, such recordings may be used for the Company's own purposes (including, without limitation, for purposes of monitoring levels of activities in categories of transactions) and not for the Participant's benefit.

3.15. Incentive Programs

The Company may from time to time adopt one or more programs under which one or more Participants may be designated as Incentive Program Participants with respect to one or more Contracts, and may be granted certain benefits in return for assuming obligations in order to provide connectivity, liquidity orderliness, or volume in the market or markets for such Contract or for any other reason whatsoever. The Company reserves the right to modify the terms of any Incentive Program at its discretion. Such modifications will be effective no earlier than ten (10) Business Days after the Company submits a filing pursuant to CFTC Regulation 40.6(a) and provides notice to Participants by posting on the Company's website.

3.16. Impartial Access

(a) The Company will provide Participants and ISVs with access to its trading platform and its data in an impartial, fair, transparent, and non-discriminatory manner. For access to Company data, each Participant and ISV shall comply with the Company's criteria governing data access.

(b) For the avoidance of doubt, Affiliates of the Company are permitted to connect to the PMUS Direct System as ISVs, *provided* that any such Affiliate is found, by action of the Board of Directors to have access on terms and conditions that are not preferential relative to other ISVs and do not provide the Affiliate with any advantages or benefits not available to other ISVs, and that such Affiliate has represented that it does not utilize any systems or features that are not available to other ISVs.

CHAPTER 4
MARKET MAKERS

4.1. Eligibility to be Designated as a Market Maker

(a) Only Participants in good standing who are not Individual Participants may become a Market Maker of the Company.

(b) The Company shall have sole discretion to allow a Participant to become a Market Maker.

(c) The Company may set any specific requirements that the Participant must abide by to become a Market Maker.

(d) The designation of any Market Maker may be suspended, terminated, or restricted by the Company at any time in accordance with the applicable program and within the discretion of the Company.

(e) The Company may designate more than one Market Maker, and there may be more than one Market Maker participating on the Trading System at any given time.

(f) There may be more than one Market Maker program in place for the Company at any given time.

4.2. Designation as a Market Maker

(a) To determine whether a Participant shall be designated as a Market Maker, the Company shall consider factors such as business reputation, financial resources, and trading activity in relevant markets in determining whether to approve a Market Maker.

(b) No Participant shall be designated as a Market Maker without the Participant's consent.

(c) The Company may periodically conduct an evaluation of any Market Maker to determine whether it has fulfilled performance standards relating to, among other things, quality of the markets, competitive market making, observance of ethical standards, and administrative soundness. If the Market Maker fails to meet minimum performance standards, the Company, may, among other things, suspend, restrict, or terminate the Market Maker's designation.

4.3. Market Maker Benefits

(a) Market Makers may receive certain benefits, including but not limited to financial benefits, financial incentives for meeting trading volume or liquidity thresholds as may be established by the Exchange, reduced fees, and different Position Accountability Levels, in accordance with any relevant Market Maker program in place at the Company.

4.4. Market Maker Obligations

(a) A Market Maker is obligated to perform all requirements and obligations delineated in the relevant Market Maker agreement and Market Maker program in place. These requirements and obligations include but are not limited to maintaining two-sided markets within a defined spread and with a minimum depth during trading.

(b) Without limiting the foregoing, Market Makers shall conduct their activities in a manner consistent with the maintenance of fair and orderly markets and shall remain subject to all market surveillance, trade practice monitoring, and compliance requirements applicable to other Participants.

(c) Failure by a Market Maker to comply with the obligations set forth in this Chapter, the applicable Market Maker agreement, or any Market Maker program shall constitute a violation of these Rules and may result in disciplinary action pursuant to Chapter 8, in addition to any suspension, restriction, or termination of Market Maker designation.

CHAPTER 5
TRADING PLATFORM AND METHODOLOGY

5.1. Contracts Traded on the Trading System and Cleared on Polymarket Clearing

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

5.2. Participants and Authorized User Access

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

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

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

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

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

(f) The Participant is responsible for contracting with an internet service provider through which it will access the Company website and for having a backup service provider if reasonably necessary. The Participant is also responsible for maintaining an internet connection speed adequate for its needs. The Company will not be responsible in any way for any Orders delayed or trades missed or not executed in a timely fashion because of failure of the Participant's internet service provider or slowness of its internet connection speed. No communication from a Participant will be deemed to have been received by the Company until that communication is logged by the Company server.

(g) Participants who are Customers of FCM Participants are required to maintain credentials to access the Trading Platform through the FCM Participants.

(h) Participants shall maintain an electronic audit trail capturing order entry, modification, cancellation, and execution timestamps sufficient to reconstruct all trading activity.

(i) Participants utilizing automated trading systems must implement pre-trade risk controls including order throttles, price collars, and kill switches.

5.3. Orders

(a) Participants shall enter Orders by electronic transmission to the Company shall maintain an electronic record of those entries. Each Participant shall be responsible for any and all Orders in its Account.

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

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

(d) Participants are prohibited from entering Orders on the Trading System if there are insufficient funds in the Participant's corresponding Account to satisfy such Orders if they are executed. The Company may, in its discretion, impose penalties and take such other action against a Participant if the circumstances warrant should the Participant violate this Rule 5.3(d).

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

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

(g) Any Person receiving information through the Trading System is expressly prohibited from redistributing such information unless expressly permitted by the Company. Participants and each of its Authorized Users shall cooperate with any reasonable requests of Company, including providing any information that the Company may request, to ensure the compliance of such Participant and its Authorized Users with the immediately preceding sentence.

(h) The Company may establish a maximum Order size for the Account of each Participant based upon the Participant's available funds, the Participant's trading behavior, and any other factors that the Company deems relevant.

(i) Any Standing Limit Order that has been entered into the PMUS Direct System may be cancelled unless and until it has been executed or has otherwise expired. The Company will attempt to cancel an existing Order as soon as possible after a Participant enters a cancellation instructions. However, the Order may be executed before the Company is able to cancel it. If an Order has been filled in whole or in part, a Participant may cancel only that portion of the Order (if any) that has not been executed. Such cancellation will become effective upon the issuance of an acknowledgement by the PMUS Direct System of the cancellation of the Order, as the case may be.

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

(k) The Company may instruct an FCM Participant to place a Customer Account on hold (or liquidation-only) or may place a Customer's trading privileges on hold directly, and will notify the FCM Participant as soon as practicable. The same shall apply, mutatis mutandis, to Customers of a Broker Participant.

(l) The Company shall make available to Participants the ability to utilize self-trade match prevention functionality in a form and manner provided by the Company.

(m) The Company shall designate the Contracts for which block trades shall be permitted and determine the minimum quantity thresholds for such transactions. With respect to block trades in swaps, the minimum size for such transactions shall be established at levels at or in excess of those set forth in Appendix F of Part 43 of the CFTC Regulations. Eligible Participants may execute block trades, when available, in accordance with the following conditions:

i. Block trades must be for at least a quantity that meets the minimum quantity threshold for such trade, as established by the Exchange. Orders may not be aggregated to achieve the applicable minimum quantity, except by a commodity trading advisor registered or exempt from registration under the CEA, including, without limitation, any investment adviser registered or exempt from registration under the Investment Advisors Act of 1940, or a foreign Person performing a similar role or function to a commodity trading advisor or investment advisor and subject as such to foreign regulation, provided such advisor has total assets under management exceeding $25 million and the block trade is suitable for such advisor's customers.

ii. Each Participant making a block trade must be an Eligible Contract Participant, as such term is defined in Section 1a(18) of the CEA, and otherwise abide by the requirements for eligible block trade parties, as set forth in the CEA and the CFTC Regulations.

iii. Participant shall not execute any order by means of a block trade for a Customer unless such Customer has specified that such order be executed as a block trade.

iv. The execution price of a block trade must be fair and reasonable given the (i) size of the order in the Contract; (ii) accessible market data for similar Contracts (such as price, time, size, and volatility); (ii) general market conditions relevant to the events underlying the Contract; and (iv) circumstances of the markets and Participants involved in the block trade.

v. Unless otherwise agreed to by the Participants making the block trade, the seller, or, in the case of a brokered transaction, the broker, must report each block trade to the Company within the time period and in the manner prescribed by the Company. The report shall include the Contract, price, quantity of Contracts, time of execution, and any other details relevant to the execution of the block trade. The Company shall publish the information contained in such reports in a format that distinguishes block trades from other trades made on the Trading System.

vi. Block trades shall not set off conditional Orders (e.g., Standing Limit Orders) or otherwise affect Orders in the regular market.

(n) Participants may submit a Request for Quote, and may respond to a Request for Quote submitted by another Participant with a Quote, when available, in accordance with the following conditions:

i. An RFQ may be submitted only with respect to a Contract that is then open and available for trading on the Trading System. Where that

Contract comprises a combination of two or more other Contracts, the combination Contract must first be listed and opened on the Trading System in the same manner as any other Contract; such listing and opening are preconditions to, and separate from, the RFQ process. A Requester submits an RFQ through the Trading System, which makes the RFQ available to all other Participants. Each RFQ shall contain the following information, which is available to all other Participants: (A) the Contract in which the Requester seeks a Quote; (B) the size of the Quote sought, measured in number of Contracts or in total cost; and (C) a unique identifier that pseudonymously identifies the Requester. Such an identifier shall remain consistent for a single Participant but shall contain no information that would reveal the identity of the Participant.

ii. Any other Participant may respond to an RFQ with a Quote. A Quote shall be for the same size as the RFQ and shall specify the price at which the Quoter is willing to buy and the price at which the Quoter is willing to sell the Contract, together with the Quoter's identifier described in Rule 5.3(n)(i). Each Quote shall be visible only to the Requester and the Company. A Quoter may submit a Quote only for a price and quantity that the Quoter has sufficient collateral to match and the full execution of which would not cause the Quoter to exceed any applicable position limit.

iii. The Requester may accept one side of a Quote, provided the Requester has sufficient collateral to match at the specified price and quantity and full execution would not cause the Requester to exceed any applicable position limit. Upon acceptance, the Trading System shall notify the Quoter of the accepted side and quantity, and the Quoter must confirm the Quote for the transaction to proceed. Confirmation must occur within thirty (30) seconds of the Requester accepting the Quote. The RFQ is closed upon the acceptance of the Quote by the Requester. If the Quoter does not confirm within that period, the acceptance shall be void.

iv. Upon the Quoter's confirmation, the Trading System shall begin a fifteen (15) second timer. Once the timer begins, neither the Requester nor the Quoter may withdraw from the transaction. During the timer, no indication of the forthcoming Orders shall be made available to any other Participant, and the timer shall be visible only to the Requester and the Quoter. At the end of the timer, the Trading System shall sequentially enter an Order for the Quoter and an Order for the Requester in accordance with the side, size, and price of the confirmed Quote. Each such Order shall receive time priority as though entered manually at the end of the timer and accordingly shall rank behind all Orders then resting on the Trading System.

v. Each Order entered under Rule 5.3(n)(iv) shall behave identically to a standard Order on the Trading System at the price specified in the Quote

and shall be evaluated against the best prices then available on the Trading System.

A. If the price of the Quote improves both the best bid and the best offer then available on the Trading System, or if there is no other bid or offer, the Quoter's Order shall match in its entirety against the Requester's Order

B. he price of the Quote improves the best bid but a better or equal offer rests on the Trading System, the buy-side Order shall execute first against such better or equal offers and thereafter against the sell-side Order produced by the Quote to the extent any quantity on the buy side remains.

C. Conversely, if the price of the Quote improves the best offer but a better or equal bid rests on the Trading System, the sell-side Order shall execute first against such better or equal bids and thereafter against the buy-side Order produced by the Quote to the extent any quantity on the sell side remains.

vi. The Company may designate a Contract as an Accelerated Contract and shall indicate any such designation through the Trading System. For a Contract so designated, the confirmation period under Rule 5.3(n)(iii) shall be one (1) second and the timer under Rule 5.3(n)(iv) shall be one (1) second, in each case unless the Company establishes and specifies another period, which shall in no event be shorter than one (1) second, for the relevant Contract through the Trading System.

vii. No Participant shall disclose the details of an RFQ or Quote to any Person that is not a party to the communication, except as required by CFTC Regulations or Applicable Law or as expressly authorized by the Company. No party to an RFQ or Quote shall enter, modify, or cancel any Order to take advantage of information conveyed through the RFQ, the Quote, or its acceptance, except as expressly permitted by this Rule.

viii. RFQs and Quotes may be created and submitted only for the purpose of executing bona fide Trades. No Participant shall use the RFQ functionality to mislead other Participants or to distort prices on the Trading System.

ix. A Person submitting or responding to an RFQ on behalf of a Customer must obtain the Customer's prior consent to such participation.

x. The Company shall maintain an electronic record of all RFQs, Quotes, acceptances, confirmations, and resulting Orders.

xi. Any RFQ, Quote, or Trade conducted in violation of this Rule shall constitute a violation of these Rules and may subject the Participant and any other Person involved to disciplinary action.

5.4. Execution and Confirmation Process

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

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

(c) Time priority will be assigned to the first Order at a price that betters the best price prevailing when the Order is received. Orders entered at the same price shall be prioritized based on time of entry into the Trading System. Orders with time priority will be matched first regardless of their respective sizes.

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

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

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

5.5. Permitted Order Types

(a) Standing Limit Orders may be subject to minimum contract quantity requirements and will be executed when entered, in whole or part, to the extent that there are opposite Orders open in the Trading System, with any balance to remain as an open Order until it is executed, cancelled, expires, or is replaced by a Standing Limit Order with price priority.

(b) Market to Standing Limit Orders may execute at the best market price, to the extent there is an opposite Standing Limit Order, but where if only a portion of the Order is filled, the remainder is then re-submitted as a Standing Limit Order with the price equal to the price at which the last fill on the Order executed.

(c) Fill and kill ("**FAK**") is a time-in-force designation for an Order that is immediately filled in whole or in part at the specified price, with any remaining quantity canceled.

(d) Good 'Till Cancelled ("**GTC**") is a time-in-force designation for an Order which will remain in force until executed, cancelled or the Contract expires.

(e) Good 'Till Date ("**GTD**") is a time-in-force designation for an Order that is active until a specific date and time.

5.6. Trade Confirmations

(a) A printable record of all of the terms of each trade entered into on the Company or pursuant to the Rules will be available to the Participant immediately upon execution. Such record shall legally supersede any previous agreement and serve as a confirmation of each such trade. The Trading System may send confirmation messages to Participants upon execution of a trade via the appropriate method. The contract type, size, execution time, and execution method for each trade will be made available to each Participant after successful execution of any trade.

5.7. Order and Trade Errors

(a) The Exchange, in its discretion and in accordance with these Rules, may adjust or cancel an Order or Trade that is executed on the market at a price that is inconsistent with prevailing market conditions.

(b) Upon receipt of an error notification, either internally generated or from a Participant, the Company will review its electronic audit trail to determine, in its sole discretion, if the Company incorrectly rejected or processed an Order or Trade:

xii. On the same Business Day if the request was received prior to 12:00 Noon on a Business Day.

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

(c) The determination of the Company in its absolute and sole discretion is final.

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

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

ii. If the system behavior could not reasonably be anticipated or is due to no fault by the Participant or the Authorized User, the Company in its sole and absolute discretion may make a monetary adjustment from its own funds, that the Company in its sole and absolute discretion believes

represents a fair and equitable resolution of the Order's or Trade's handling, *provided* that the Company shall have no obligation to do so.

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

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

i. Cancelling such trade in the Accounts of all directly affected Participants.

ii. Making a monetary adjustment, which in the sole and absolute discretion of the Company and from its own funds, that the Company in its sole and absolute discretion believes represents a fair and equitable resolution of the Order's handling, *provided* that the Company shall have no obligation to do so.

5.8. Reports of Large Positions and Ownership and Control Reporting

(a) Large Trader Reporting

i. Each Participant, including Clearing Members as applicable, and any other Person, that is subject to large trader reporting pursuant to CFTC regulations relating to Contracts, shall, in a form and manner prescribed by the Company, concurrently submit to the Company a copy of all reportable positions at or above the reportable level of each contract ("**Large Trader Report**") that such Participant is required to report to the CFTC pursuant to CFTC regulations. Positions at or above the reportable level in a Contract in a discrete commodity code trigger reportable status. For any account in reportable status in a Contract in a discrete commodity code, all Contract positions, regardless of size, in the same discrete commodity code must be reported.

ii. All Large Trader Reports shall be submitted in a manner and form acceptable to the Company. The Company may require that more than one Large Trader Report be submitted daily. The Regulatory Oversight Committee or the Company may require reports from any Participant, including any Clearing Member, on a lesser number of positions than the reportable level set by the Company.

(b) Ownership and Control Reporting

i. Each Participant, including Clearing Members, and any other Person, that is required pursuant to CFTC regulations to submit to the CFTC Form 102 (including CFTC Form 102A and CFTC Form 102B) relating to Contracts, must, in a form and manner prescribed by the Company, concurrently submit to the Company a copy of the required Form 102

(including CFTC Form 102A and CFTC Form 102B) identifying the owner, any controlling parties and any additional required information for each reportable account.

ii. A reportable account for the purposes of this Rule is an account at or above the levels set by the Company.

iii. The applicable Large Trader Report, Form 102A and Form 102B must be submitted to the Company no later than 9:00 am Eastern Time on the Business Day following the date on which the account becomes reportable. Additionally, Participants must submit a revised Form 102A and Form 102B reflecting any material changes to the information previously provided to the Company within three Business Days of such changes becoming effective. In the absence of any material changes, the Company may require electronic submission of a new Form 102A or Form 102B on an annual basis for the maintenance of accurate records.

(c) The Company shall comply with the requirements of paragraphs (a) through (h) of CFTC Regulation 17.00 as they apply to trading in any Contracts that qualify as "exclusively self-cleared contracts" within the meaning of CFTC Regulation 15.00.

5.9. Position Limits and Position Accountability

(a) Position Limits

i. Position limits may be established by the Company from time to time for any Contract.

ii. The maximum position will be set forth in the Product Specifications of any Contract with such limits.

iii. No Person shall be permitted to enter into any transaction on the Company that would cause such Person to exceed any position limit, except that:

A. Upon application from a Participant, for hedging or other good cause shown, the Company in its sole discretion may exempt the Participant from limit on temporary or permanent basis.

B. Any exemption may include new limits.

C. The Company shall have the authority to review and rescind any exemption.

iv. For purposes of this Rule 5.9(a), the Company will aggregate the Accounts for all Participants as provided by CFTC Regulation 150.4.

(b) Position Accountability

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

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

5.10. Public Data

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

5.11. FCM or Broker Participant Suspension / Revocation

(a) Upon suspension or revocation of an FCM Participant or Broker Participant, the Company shall cancel any open Orders on the Trading System for such intermediary's Customers.

(b) Any trade subsequently executed on the Trading System for a Customer of such intermediary shall be invalid. The Company may cancel any such transaction by entering a counter-transaction at the price at which the canceled transaction was effected.

(c) The Company may take any additional steps reasonably necessary to protect market integrity and Customers, including but not limited to placing affected accounts in liquidation-only status.

CHAPTER 6
CLEARING

6.1. Submission and Acceptance of Trades for Clearing

(a) Participants are required to have sufficient funds on deposit with the Clearinghouse such that any executed Orders will be accepted by the Clearinghouse.

(b) To facilitate compliance with Rule 6.1(a), the Company, in its sole discretion and from its own funds, may advance funds for immediate use to a Direct Access Participant's Account, *provided* that it shall have no obligation to do so and *provided further* that:

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

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

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

(c) Upon submission of an Order, the Clearinghouse will automatically review the Participant's Account to ensure that the Participant can fully margin/collateralize the transaction resulting from the Order, and pay any premiums or other amounts due upon execution or settlement of such transaction, prior to execution of the transaction. If the Participant's Account does not have the necessary funds and/or collateral for the Order, the Clearinghouse will not accept the Order.

(d) Upon the successful acceptance of Contracts submitted for clearing, the Clearinghouse shall immediately, through the process of Novation, be substituted as and assume the position of Seller and Purchaser. Upon such substitution, the Seller and Purchaser shall have no obligations to each other, and such Participants shall be deemed to have bought the Contract from or sold the Contract to the Clearinghouse, as the case may be, and the Clearinghouse shall have all the rights and be subject to all the liabilities of such Participants with respect to such transactions. Where an FCM Clearing Member acts to clear a Contract made for the account of a Customer, the FCM Clearing Member becomes obligated to the Clearinghouse, and the Clearinghouse becomes obligated to the FCM Clearing Member, with respect to such Contract in the same manner and to the same extent as if the Contract were for the account of the FCM Clearing Member. The Participants of the Contract are deemed to consent to the Novation by entering the applicable Orders on the Trading System and the Clearinghouse consents to the Novation by accepting the Orders on the Trading System. Such substitution shall be effective in law for all purposes.

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

CHAPTER 7
PARTICIPANT CONDUCT

7.1. Core Principles

(a) The Company is committed to providing Participants with access to a secure, fair Trading Platform that complies with Applicable Law and the Rules.

(b) Notwithstanding anything to the contrary in these Rules, no Rule shall supersede any provision of Applicable Law. In particular, the anti-fraud and anti-manipulation provisions of the CEA, and any rules promulgated thereunder by the CFTC, shall remain in full force and effect with respect to, and will be fully applicable to, the trading of all Contracts.

7.2. Prohibited Practices

(a) No Participant shall violate any Rule, Applicable Law, or any agreement made with the Company.

(b) No Participant shall engage in fraudulent or deceitful conduct. Nor shall any Participant make any untrue or misleading statement or omit a material fact.

(c) No Participant shall enter, or assist in entering, any Order into the Trading System for the purpose of upsetting the equilibrium of the market in any Contract, creating, facilitating, or exacerbating a disorderly market, or creating a condition in which prices do not or will not reflect fair market values. Nor shall any Participant clear, or help to clear, any transaction if the Participant knows or reasonably should know that the transaction involves Orders placed for such purposes.

(d) No Participant shall engage in any trading, practice, or conduct on or subject to the Rules of the Company or the Clearinghouse that constitutes fraudulent or abusive trading. Nor shall any Participant enter, or assist in entering, any Order with knowledge that such Order is part of or in furtherance of any such trading, practice, or conduct.

(e) No Participant shall engage in any trading, practice, or conduct that constitutes a "disruptive trading practice," as such term is defined by Applicable Law. Disruptive trading practices shall include any activity that (i) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period; (ii) consists of placing one or more Orders with the intent to cancel such Order(s) prior to execution, or what is, is of the character of, or is commonly known to the trade as, "spoofing" (bidding or offering with the intent to cancel the bid or offer before execution); (iii) submits or cancels Orders with the intent to overload the Trading System; (iv) submits or cancels bids or offers with the intent to delay another person's execution of trades; or (v) submits or cancels multiple bids or offers to create an appearance of false market depth.

(f) No Participant shall coordinate, collude, or act in concert with any other Person — whether or not such other Person is a Participant — for the purpose of moving, fixing, or artificially influencing the price of any Contract, dividing markets, or otherwise acting to the detriment of other market participants or the integrity of the market. No Participant shall enter into any agreement, arrangement, or understanding, whether express or implied, with any other Person to engage in any such conduct.

(g) No Participant shall enter, or attempt to enter, any Order into the Trading System with respect to any Contract on the basis of confidential information relating to the outcome or likely outcome of the event underlying such Contract, where trading on such information would constitute a breach of a pre-existing duty of trust and confidence owed to another person or entity.

(h) No Participant shall enter, or attempt to enter, any Order into the Trading System with respect to any Contract on the basis of confidential information relating to the outcome or likely outcome of the event underlying such Contract, where such information was obtained from, or such Order was directed or solicited by, a person who owed a pre-existing duty of trust and confidence to another person or entity, if the Participant knows or has reason to know that

trading on such information by the person who communicated it or directed or solicited the Order would be prohibited under clause (g).

(i) No Participant shall enter, or attempt to enter, any Order into the Trading System with respect to any Contract if such Participant holds a position of authority or influence sufficient to affect the outcome of the event underlying such Contract, or if such Participant has been directed or solicited to enter such Order by a person who holds such a position of authority or influence.

(j) No Participant shall take a position in a Contract based upon nonpublic information regarding an impending transaction by another Person in the same or a related Contract, or in any commodity, security, index or benchmark underlying that Contract regardless of the exchange on or market in which the underlying is transacted, unless expressly permitted by Company Rules.

(k) No Participant shall enter into, or attempt to enter into, any transaction in any Contract that does not result in a change in beneficial ownership, or that is structured or arranged in a manner designed to preserve economic exposure in the same hands while creating the appearance of a transfer of ownership.

(l) No Participant shall engage in any act or practice that in any way attempts to circumvent the Company's Order processing, trade ordering, or trade execution systems, or that otherwise attempts to circumvent the exposure of any Order to open and competitive bidding.

(m) No Participant shall engage in any conduct, or structure any Order, series of Orders, or trading activity, with the intent to evade or obstruct the Company's surveillance, compliance, or enforcement functions, including but not limited to: deliberately structuring Orders or trading patterns to avoid detection thresholds; obscuring, misrepresenting, or fragmenting beneficial ownership information to defeat cross-account surveillance; or taking any action designed to render the Company's trade reconstruction or audit trail capabilities less effective. The fact that individual Orders or transactions may be independently permissible shall not preclude a finding of violation where the pattern or structure of such Orders or transactions demonstrates an intent to evade surveillance.

(n) No Participant shall execute any fictitious transactions, or effect or induce the purchase or sale of any Contract for the purpose of creating or inducing a false, misleading, or artificial appearance of activity in such Contract, or for the purpose of unduly or improperly influencing the market price of such Contract, or for the purpose of making a price which does not reflect the true state of the market in such Contract.

(o) No Participant shall execute, or attempt to execute, transactions in any Contract during the closing period, or during any period used to establish a settlement or reference price, with the intent to move, fix, or artificially influence the settlement price of such Contract or any related Contract, benchmark, or index.

(p) No Participant shall place or accept buy and sell Orders in the same product and expiration month, where the Participant knows or reasonably should know that the Orders are intended to avoid taking a bona fide market position exposed to market risk (transactions commonly

known or referred to as "wash sales"). Buy and sell Orders by Participants that are entered with the intent to negate market risk or price competition shall be deemed to violate the prohibition on wash trades. For the avoidance of doubt, opposing positions of the same expiration may be used to close positions before expiration and shall not be deemed to violate the prohibition on wash trades.

(q) A Participant (including through any of its Authorized Users) must not intentionally match, directly or indirectly, an Order it has placed or caused to be placed in any other capacity or account, including but not limited to the Participant's own direct account and any intermediated, managed, or commonly controlled account(s). This prohibition applies across all accounts under common ownership, control, or direction, whether Orders are entered directly, via API, or through an FCM Participant or Broker Participant. If Orders from accounts under common ownership, control, or direction match each other, such activity may constitute a violation of these Rules and Applicable Law. No Participant shall arrange and execute simultaneous offsetting buy and sell Orders in a Contract with intent to artificially affect reported revenues, trading volumes or prices. Additionally, no Participant shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.

(r) No Participant shall accept simultaneous buy and sell Orders from the same beneficial owner for the same expiration of a particular Contract that could potentially execute against each other.

(s) All pre-negotiated or pre-arranged transactions that are not expressly permitted by the Company are hereby prohibited.

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

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

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

(w) Each Participant shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Authorized Users and, in the case of FCM Clearing Members and Broker Participants, its Customers, comply with Applicable Law and the Rules. Each Participant shall be responsible for supervising its Authorized Users and may be held accountable for the actions of such Authorized Users and Customers.

(x) An Individual Participant shall not trade for a person or Entity other than itself. An Authorized User of an Entity Participant shall not trade for a person or Entity other than the Entity for whom that person is an Authorized User; provided, however, that this Rule shall not

prohibit a Broker Participant or FCM Participant from entering Orders or transactions on behalf of its Customers, in accordance with Applicable Law and these Rules. Each Broker Participant and FCM Participant shall be responsible for establishing, maintaining, and administering reasonable supervisory procedures to ensure that Orders entered on behalf of Customers are authorized and comply with Applicable Law and the Rules. Broker Participants and FCM Participants may be held accountable for the actions of their Customers as if such actions were their own.

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

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

(aa) Each Participant shall comply with any and all sales practice rules (including those relating to bunched orders, opening and approval of accounts, suitability, use of discretion, supervision of accounts, risk disclosure document delivery, communications, monthly statements and confirmations, registration, qualification and continuing education, customer complaints, prohibition against guarantees and profit sharing and money laundering) from time to time promulgated by the NFA, which rules are hereby incorporated by reference into this Rule.

(bb) No Participant shall withhold or withdraw from the market any Order, or any part of an Order, placed by any Customer unless expressly authorized to do so by such Customer.

(cc) No Participant shall buy (sell) a Contract for its a personal or proprietary account or for an account in which it has a proprietary interest when such Participant has in hand an Order to buy (sell) the same Contract for any other Person at the same price or at the market price.

(dd) No Participant shall execute a discretionary Order for any Contract, including, without limitation, an Order allowing discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other Participant, when such Participant is in possession of any Customer Order for the same Contract open as to time and price.

(ee) An Authorized User entering Orders into the Trading System must enter all Customer Orders that the Trading System is capable of accepting before entering an Order for a personal or proprietary account of such Authorized User or the related Participant, an account in which such Authorized User or Participant has a proprietary interest or an Order for a discretionary account, including an Order allowing such Authorized User or Participant discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other

Participant. For purposes of this paragraph, a Participant that is not a natural person, shall not be deemed to buy (sell) a Contract or execute a discretionary Order if (i) such Participant has in place appropriate "firewall" or separation of function procedures and (ii) the individual buying (selling) the Contract or executing the discretionary Order in question has no direct knowledge of the Order to buy or sell the same Contract for any other Person at the same price or at the market price or of the Customer Order for the same Contract, as the case may be. Nothing in this Rule shall limit the ability of an "eligible account manager" to bunch Orders in accordance with Commission Regulation § 1.35(b)(5).

(ff) No Participant in possession of a Customer Order shall knowingly take, directly or indirectly, the opposite side of such Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

(gg) Opposite Orders for different beneficial owners that are simultaneously placed by a Participant with discretion over both accounts may be entered into the Trading System, provided that one Order is exposed for a minimum of five (5) seconds (in the case of futures Orders) or a minimum of 15 seconds (in the case of options Orders). An Order allowing for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite another Order entered by the same Participant only if the Order has been entered immediately upon receipt and has been exposed on the Trading System for a minimum of five (5) seconds for Futures Orders or a minimum of fifteen (15) seconds for Options Orders.

(hh) No Participant shall submit a discretionary Order to the Trading System for any account of another Person, without the prior specific written consent of such other Person to exercise such discretion.

(ii) Non-discretionary Customer Orders received by a Participant, shall be entered into the Trading System in the sequence received. Non-discretionary Orders that cannot be immediately entered into the Trading System must be entered when the Orders become executable in the sequence in which the Orders were received.

(jj) No Participant shall initiate, or cause to be initiated, a deposit of funds into its Account from a source account that does not hold sufficient funds at the time of deposit and at the time the deposit is presented by the Clearinghouse for payment.

(kk) No Participant shall make a false representation to a third party — including any financial institution, payment processor, money transmitter, or card issuer — regarding any deposit made into the Participant's Account that would, or could reasonably be expected to, result in a chargeback, reversal, or stop payment of funds previously deposited.

(ll) No Participant shall allow its Account balance to become negative by any means. In the event that a Participant's Account balance becomes negative, the Participant must immediately deposit additional funds to correct the deficiency. Any Participant whose Account balance carries a deficiency for thirty (30) calendar days or more is subject to summary termination of Participant status, without prejudice to such additional action as the Company may take under Chapter 8.

(mm) For the avoidance of doubt, the Company may credit a Participant's Account in the event of an Order cancellation, Contract outcome adjustment, ledger adjustment, refund of wire or payment-rail fees, or incentive program payout. Nothing in this subsection constitutes an advance of funds by the Company to a Participant.

CHAPTER 8
RULE ENFORCEMENT

8.1. General

(a) The Company will conduct inquiries, investigations, disciplinary proceedings and appeals from disciplinary proceedings, summary impositions of fines, summary suspensions, or other summary actions in accordance with this Chapter 8.

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

(c) Any Participant may be represented by counsel during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 8.

(d) Pursuant to this Chapter 8, the Company may hold:

iv. a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation;

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

vi. an Authorized User liable for, and impose sanctions against such Authorized User, for such Authorized User's own acts and omissions that constitute a violation; and

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

8.2. Market Surveillance

(a) The Trading System will record and store for a period of not less than five (5) years in a searchable, read-only database a record of all data entered into the Trading System. Such records shall be maintained in a readily available manner during the first two (2) years. The Company shall conduct market surveillance and trade practice surveillance using this data with programs designed to alert the Company when potentially unusual or otherwise questionable trading activity takes place.

(b) The Company may temporarily suspend Participant's Trading Privileges at its sole discretion in the event it identifies unusual trading activity or potential violations of these Rules. The Company will initiate review and, where appropriate, investigate such unusual trading activity. The Company will also investigate any time it has other reason to believe that inappropriate activity of any sort is taking place.

8.3. Inquiries and Investigations

(a) The Compliance Department will investigate any matter within the Company's disciplinary jurisdiction that is brought to such department's attention, including but not limited to, possible violations of the Rules or manipulation of a Contract that is traded on the Exchange or cleared through the Clearinghouse. All such investigations must be completed within twelve (12) months of the date when the Compliance Department commenced its investigation unless there are mitigating factors that may reasonably justify an investigation taking longer than twelve (12) months, including the complexity of the investigation, the number of Participants or individuals involved as potential wrongdoers, the number of potential violations to be investigated, and the volume of documents and data to be examined and analyzed by the Compliance Department. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion and will function independently of any commercial interests of the Company.

(b) The Compliance Department has the authority to:

i. initiate and conduct inquiries and investigations;

prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;

prosecute alleged violations within the Company's disciplinary jurisdiction; and

represent the Company on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

(c) Each Participant:

i. is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Compliance Department in connection with: (i) any Rule; (ii) any inquiry or investigation; or (iii) any preparation by and presentation during a

disciplinary proceeding or appeal from a decision in a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Company;

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

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

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

(e) The Chief Compliance Officer will review promptly each completed investigation report to determine whether a reasonable basis exists to believe that a violation within the Company's jurisdiction has occurred or is about to occur. Such determination will be made by the Chief Compliance Officer within thirty (30) Business Days of receipt of the applicable investigation report. If the Chief Compliance Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within the Company's jurisdiction has occurred or is about to occur, the Chief Compliance Officer will direct the Compliance Department to conduct further investigation.

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

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

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

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

8.4. Notice of Charges and Opportunity to Respond

(a) If the Chief Compliance Officer authorizes disciplinary proceedings pursuant to Rule 8.3, the Compliance Department will prepare in accordance with this Rule 8.4(b)and serve in accordance with this Rule 8.4(f), a notice of charges within twenty (20) Business Days thereafter.

(b) A notice of charges will:

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

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

iii. state the proposed sanctions;

iv. advise the respondent of its right to submit a written statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought, which statement must be submitted within twenty (20) Business Days after service of the notice of charges;

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

vi. state the period of time within which the respondent can request a hearing on the notice of charges, in lieu of submitting a written statement pursuant to Rule 8.4(b)(iv), which will not be less than twenty (20) Business Days after service of the notice of charges;

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

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

(c) If the respondent submits a written statement pursuant to Rule 8.4(b)(iv), the Chief Compliance Officer shall, within ten (10) Business Days after receipt of the written statement, advise the respondent:

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

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

iii. that the respondent shall have twenty (20) Business Days to submit an answer to the notice of charges, as described in this Rule 8.4(d).

(d) If the respondent determines to answer a notice of charges, the respondent must file answers within twenty (20) Business Days after being served with such notice, or within such other time period determined appropriate by the Chief Compliance Officer. To answer a notice of charges, the respondent must in writing:

i. specify the allegations that the respondent denies or admits;

ii. specify the allegations that the respondent does not have sufficient information to either deny or admit;

iii. specify any specific facts that contradict the notice of charges; and

iv. specify any affirmative defenses to the notice of charges.

(e) Any failure by the respondent to timely serve an answer to a notice of charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to answer one or more allegations in a notice of charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a notice of charges that the respondent fails to expressly deny will be deemed to be admitted. A general denial by the respondent, without more, will not satisfy the requirements of Rule 8.4(d).

(f) Any notice of charges or other documents contemplated to be served pursuant to this Chapter 8 may be served (and service shall be deemed complete) upon the respondent either personally or by (i) leaving the same at his or her place of business or by deposit in the United States mail, postage prepaid, via registered or certified mail addressed to the respondent at the address as it appears on the books and records of the Company, or (ii) sending the same via electronic mail to the e-mail address of the respondent as it appears on the books and records of the Company. If the subject of any charge is a Customer of an FCM Participant or a Broker Participant, the Compliance Department may obtain the Customer's contact information from the applicable intermediary for service of process and notices.

8.5. Settlements

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

(b) If a respondent or potential respondent submits an offer of settlement in accordance with Rule 8.5(a), the Compliance Department will forward the offer to the Chief Compliance Officer with a recommendation on whether to accept or reject the offer. If the Chief Compliance Officer conditionally accepts an offer of settlement, the settlement will become final upon the expiration of twenty (20) Business Days after an order of the disciplinary proceedings consistent with the terms of the offer of settlement is served on the respondent.

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

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

8.6. Disciplinary Panel

(a) A disciplinary panel consisting of five (5) individuals selected by the Board of Directors (the "**Disciplinary Panel**"), will conduct hearings in connection with any disciplinary proceedings, to make findings and impose sanctions pursuant to this Chapter 8. A separate Disciplinary Panel will be established prior to the commencement of each disciplinary matter. No Disciplinary Panel shall be comprised in a manner such that any group or class of industry participants may reasonably be expected to dominate or exercise disproportionate influence on such panel. Each Disciplinary Panel shall consist of individuals who (i) would qualify as a Public Director (if the individual is a director of the Company), except in cases limited to decorum, attire, or the timely submission of accurate records required for clearing or verifying each day's transactions, and (ii) are drawn from the NFA's Hearing Committee. For the avoidance of doubt, members of the Compliance Department shall not be eligible to serve on a Disciplinary Panel.

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

the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

(c) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 8.13) will be conducted at a hearing before the Disciplinary Panel. A hearing will be conducted privately and confidentially unless the Disciplinary Panel decides that the hearing, or any part of it, should be held in public after giving each respondent the opportunity to present its, his or her views on holding a public hearing. Notwithstanding the confidentiality of hearings, the Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.

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

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

(f) Except for procedural and evidentiary matters decided by the chairman of the Disciplinary Panel pursuant to Rule 8.6(e), unless each respondent otherwise consents, the entire Disciplinary Panel must be present during the entire hearing and any related deliberations.

8.7. Respondent Review of Evidence

(a) Prior to the commencement of a hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony, and other tangible evidence in the possession or under the control of the Company that the Compliance Department will use to support the allegations and proposed sanctions in the notice of charges or which the chairman of the Disciplinary Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and the Company will have no obligation to disclose, any information protected by attorney-client privilege or any other privileges recognized by Applicable Law.

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

(c) Notwithstanding anything in Rule 8.7(b) to the contrary, the Compliance Department:

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

will provide the respondent with access to the information and portions of the documents that the Compliance Department intends to rely on to support the allegations or proposed sanctions in the notice of charges.

(d) For purposes of this Rule 8.7, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or liquidating positions, the identity of any Participant or Authorized User and the personal finances of the Person providing the information.

8.8. Hearings

(a) At a hearing conducted in connection with any disciplinary proceedings, the Compliance Department will present its case supporting the allegations and proposed sanctions in the notice of charges to the Disciplinary Panel. If a respondent has timely filed an answer to the notice of charges in accordance with Rule 8.4(d), the respondent is entitled to attend and participate in the hearing.

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

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

ii. call and examine witnesses; and

iii. cross-examine witnesses called by other parties.

(c) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the notice of charges are not expressly denied in the respondent's answer, the chairman of the Disciplinary Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the notice of charges, or otherwise) unless the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Disciplinary Panel will adjourn the hearing and direct the respondent to promptly file a written answer in accordance with Rule 8.4(d).

(d) Any Person entitled, or required or called upon, to attend a hearing before a Disciplinary Panel pursuant to Rule 8.8(b)(ii) will be given reasonable notice, confirmed in writing, specifying the date, time and place of the hearing, and the caption of the disciplinary proceedings. The Company will require all Participants that are called as witnesses to appear at the hearing and

produce evidence. The Company will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(e) If during any disciplinary proceedings the Disciplinary Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule or a provision of Applicable Law other than the violations alleged in the notice of charges, the Disciplinary Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 8.4(d). In connection with considering apparent violations pursuant to this Rule 8.8(e), the Disciplinary Panel may request that the Compliance Department provide the Disciplinary Panel with any additional information.

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

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

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

8.9. Decision of Disciplinary Panel

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

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

i. the notice of charges or summary of the allegations;

ii. the answer, if any, or a summary of the answer;

iii. a brief summary of the evidence introduced at the hearing;

iv. findings of fact and conclusions concerning each allegation, including each specific Rule and provision of Applicable Law that the respondent is found to have violated;

v. the imposition of sanctions, if any, and the effective date of each sanction; and

vi. notice of the respondent's right to appeal pursuant to Rule 8.12.

(c) Unless a timely notice of appeal is filed pursuant to Rule 8.12, the order of the disciplinary proceedings will become final upon the expiration of twenty (20) Business Days after the order is served on the respondent and a copy thereof is provided to the Compliance Department.

8.10. Sanctions

(a) After notice and opportunity for hearing in accordance with these Rules, the Company will impose sanctions if a Participant or Authorized User is found to have violated or to have attempted to violate a Rule or provision of Applicable Law for which the Company possesses disciplinary jurisdiction. The Company may impose one or more of the following sanctions or remedies: (i) censure; (ii) limitation on Trading Privileges, association with a Participant or other activities, functions or operations; (iii) suspension of Trading Privileges or association with a Participant; (iv) fine (subject to Rule 8.10(b)); (v) restitution or disgorgement; (vi) termination of Trading Privileges; or (vii) any other sanction or remedy deemed to be appropriate. All sanctions, including those imposed pursuant to an accepted settlement offer, shall take into account respondent's disciplinary history and remediation efforts.

(b) The Company may impose a fine of up to $500,000 for each violation. If a fine or other amount is not paid within thirty (30) Business Days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus 3%. The Company has sole discretion to select the bank on whose quotations to base the prime rate. Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any Authorized User authorized by, or other agent or representative of, such Participant.

(c) No more than one warning letter may be issued to the same Person found to have committed the same rule violation within a rolling twelve (12)-month period.

8.11. Costs

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

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

(c) The Disciplinary Panel may determine the amounts and allocation of costs in any manner it may deem appropriate. The Company or the respondent will pay any costs ordered to be paid by it by the Disciplinary Panel within thirty (30) Business Days of the later of either

written notice of (i) the amount imposed by the Disciplinary Panel or (ii) the determination of an appeal by the Appeals Panel against the Disciplinary Panel's determination.

8.12. Appeals

(a) Each respondent found by the Disciplinary Panel to have violated a Rule of or a provision of Applicable Law or who is subject to any summary fine imposed pursuant to Rule 8.13 or any summary action imposed pursuant to Rule 8.14 may appeal the decision within twenty (20) Business Days of receiving the order of the disciplinary proceedings or the notice of summary action, as the case may be, by filing a notice of appeal with the Chief Compliance Officer. While an appeal is pending, the effect of the order of disciplinary proceedings or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended; *provided*, *however*, any summary action entered under Rule 8.14 shall continue in effect during the appeal.

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

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

ii. the decision exceeded the authority or jurisdiction of the Disciplinary Panel, the Chief Compliance Officer or the Company;

iii. the decision failed to observe required procedures;

iv. the decision was unsupported by the facts or evidence; or

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

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

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

(e) Within thirty (30) Business Days after the last submission filed pursuant to Rule 8.12(c), the Chief Compliance Officer will appoint the Appeals Panel to consider and determine the appeal. If less than three (3) individuals from the Regulatory Oversight Committee

are eligible to serve on the Appeals Panel, the Appeals Panel shall be a panel solely comprised of those individuals from the Committee that are eligible to serve on the Appeals Panel and such additional individuals meeting the requirements of Public Director who are appointed by the Chief Compliance Officer. Members of the Compliance Department of the Company shall not be eligible to serve on the Appeals Panel. Members of a Disciplinary Panel may not serve on an Appeals Panel for the same matter.

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

(g) The Appeals Panel will only consider on appeal the record before the Disciplinary Panel or, in the case of a summary action, the record considered by the Chief Compliance Officer or the Chief Compliance Officer's designee, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeals Panel may only consider new evidence when the Appeals Panel is satisfied that good cause exists on why the evidence was not introduced during the disciplinary proceeding or when imposing the summary action.

(h) After completing its review, the Appeals Panel may affirm or, only if it finds that the decision of the Disciplinary Panel or the Chief Compliance Officer that is under review, as the case may be, meets one of the criteria listed in Rule 8.12(i), modify or reverse any order of the disciplinary proceedings or summary action under appeal, in whole or in part, including increasing, decreasing or eliminating any sanction or remedy imposed, imposing any other sanction or remedy authorized by the Rules, or remanding the matter to the same or a different Disciplinary Panel for further disciplinary proceedings or for reconsideration by the Chief Compliance Officer. The Appeals Panel may order a new hearing for good cause or if the Appeals Panel determines in its sole discretion that the appellant was not given a full and fair opportunity to make an argument in its favor and present supporting evidence.

(i) As described in Rule 8.12(h), the Appeals Panel may modify or reverse any order of the disciplinary proceedings or summary action under appeal only if it finds that the decision was:

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

in excess of the authority or jurisdiction of the Disciplinary Panel or the Chief Compliance Officer, as the case may be; or

based on a clearly erroneous application or interpretation of the Rules.

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

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

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

(m) Within ten (10) Business Days of being notified of the appointment of the Appeals Panel, a respondent may seek to disqualify any individual named to the Appeals Panel for the reasons identified in this Rule 8.12(m) or for any other reasonable grounds, by serving written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of an Appeals Panel. The Chief Compliance Officer will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

8.13. Summary Imposition of Fines

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

i. to make timely payments of margin, options premiums, fees, cost, charges or fines to the Company or the Clearinghouse;

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

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

(b) The Compliance Department, acting on behalf of the Chief Compliance Officer, will give notice of any fine imposed pursuant to this Rule 8.13 to each Participant or Authorized User subject thereto. The notice will specify (i) the violations of the Rules for which the fine is being imposed, (ii) the date of the violation for which the fine is being imposed, and (iii) the amount of the fine. Within twenty (20) Business Days of serving the notice of fine, the Participant or Authorized User, as the case may be, must either pay the fine or file notice of an appeal pursuant to Rule 8.12. Unless timely notice of appeal is filed pursuant to Rule 8.12(a), the fine will become final upon the expiration of twenty (20) Business Days after the notice of fine is served on the Participant or Authorized User, as the case may be.

(c) The Company, in its sole discretion, may deduct the amount of any fine imposed pursuant to Rule 8.13(b) directly from the Participant's Account; *provided* that the Company may not make such a deduction if the result would be to cause an event of default with respect to any Open Contract Positions then held in the Account of such Participant.

(d) Summary imposition of fines pursuant to this Rule 8.13 will not preclude the Company from bringing any other action against the Participant or Authorized User, as the case may be.

8.14. Summary Suspensions and Other Summary Actions

(a) Notwithstanding anything in the Rules to the contrary, the Company may summarily suspend, limit, condition, restrict, or qualify a Participant's or Authorized User's Trading Privileges if the Chief Compliance Officer or the Chief Compliance Officer's designee determines doing so is necessary to protect markets, the Company, the public, or other participants. In the event of an Emergency, the Company additionally may take summary actions pursuant to Rule 2.8.

(b) The Company will notify a Participant or Authorized User subject to a summary action whose privileges are summarily suspended. The notice shall state the action to be taken, briefly state the reasons for the action, and state the date when the action became or becomes effective. For FCM Customers, notice to the FCM Customer will be deemed given by sending notice to the FCM Participant. For Broker Customers, notice to the Broker Customer will be deemed given by sending notice to the Broker.

(c) Whenever practicable, the Exchange shall provide prior written notice to the party against whom any action in accordance with paragraph (a) shall be taken. If prior notice is not practicable, the Exchange will give notice at the earliest possible opportunity to the respondent against whom the action is brought.

(d) At the request of the Company or the Clearinghouse, a respondent against whom a summary action is brought pursuant to this Rule 8.14 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before, the Company or the Clearinghouse in connection with the enforcement of any Rule.

(e) The summary action will become final upon the expiration of twenty (20) days after the notice of action is served on the respondent.

(f) A respondent whose Trading Privileges are suspended, limited, conditioned, restricted, or qualified pursuant to this Rule 8.14 may apply for reinstatement by filing with the Compliance Department a written request stating the applicant's reasons for seeking reinstatement. The Company will not consider a respondent's request for reinstatement if the respondent (i) persists in the conduct which was the subject of the order denying access; (ii) owes any fines, fees, charges or costs to the Company; (iii) continues to fail to appear at disciplinary proceedings without good cause; or (iv) continues to impede the progress of disciplinary proceedings.

(g) Participants whose Trading Privileges are suspended, limited, conditioned, restricted, or qualified shall be given the opportunity for appeal under the procedures outlined in Rule 8.12 of these Rules. The decision affirming, modifying, or reversing the summary suspension, limitation, condition, restriction, or qualification shall be furnished by electronic mail to the Participant. The order will include a brief summary of the evidence introduced at the reinstatement hearing; and, if applicable, findings of fact and conclusions not contained in the notice of summary action issued pursuant to Rule 8.14(c) above. The decision will be the final decision of the Exchange.

(h) When the Trading Privileges of a Participant are, or the association of an Authorized User with a Participant is, suspended for a period of twelve (12) months or less, none of its rights and Trading Privileges (including the right to hold oneself out to the public as a Participant, enter Orders into the Company Direct System and receive Participant rates for fees, costs, and charges and deposit margin at Participant levels) will apply during the period of the suspension, except for the right of the Participant or Authorized User in question to assert claims against others as provided in the Rules. Any such suspension will not relieve the Participant or Authorized User in question of its, his or her obligations under the Rules to perform any Contracts entered into before the suspension, or for any the Company imposed fees, costs, or charges incurred during the suspension. The Company may discipline a suspended Participant or Authorized User under this Chapter 8 for any violation of a Rule or provision of Applicable Law committed by the Participant before, during or after the suspension.

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

(j) A suspended or terminated Participant or Authorized User remains subject to the Rules and the jurisdiction of the Company for acts and omissions prior to the suspension of termination, and must cooperate in any inquiry, investigation, disciplinary proceeding, appeal of disciplinary proceedings, summary suspension or other summary action as if the suspended or terminated Participant or an Authorized User still had Trading Privileges or was still associated with a Participant, as the case may be.

8.15. Publication of Disciplinary Action

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

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

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

CHAPTER 9
DISPUTE RESOLUTION

9.1. Arbitration of Disputes Among Participants

(a) Any dispute, controversy, or claim between or among Individual Participants, Entity Participants, Broker Participants, and/or FCM Participants and their Authorized Users and/or Registered Agents related to or arising out of transactions executed and cleared through the PMUS Direct System, or otherwise related to or arising out of participation on the PMUS Direct System shall be resolved and settled through binding arbitration in New York, New York.

(b) If the parties are able to agree on an arbitrator, the arbitration shall be conducted by a single arbitrator. If the parties are unable to agree on an arbitrator, each party shall select an arbitrator and the two (2) arbitrators shall select a third arbitrator. Any arbitrator selected in connection with such arbitration must qualify as a Public Director (if the individual is a director of the Company) and must have reasonable prior experience in the operation and regulation of exchanges and clearinghouses providing execution and clearing services in connection with commodity futures contracts, commodity options or swaps, and with respect to the rules of the CFTC and exchanges and clearinghouses generally.

(c) The arbitrator(s) shall determine the procedures for any arbitration held under this Rule 9.1, and shall, to the extent practicable, rely on applicable provisions of Chapter 8 with respect to such procedures, including but not limited to in connection with discovery by the parties, submission of documents and a hearing, *provided* that the arbitrator(s) shall have the authority to determine the appropriate procedures, notwithstanding the provisions of Chapter 8.

(d) The arbitrator(s) shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including the issuance of an injunction. The fees and expenses of such arbitration shall be borne by the non-prevailing party, as determined by such arbitration. This provision shall not be construed in any way as creating a cause of action.

(e) Any failure on the part of any Participant or Authorized User to arbitrate a case subject to arbitration, or the commencement by any such Person of a suit in any court prior to arbitrating a case subject to arbitration, violates the Rules and subjects such Participant or Authorized User to disciplinary proceedings pursuant to Chapter 8, unless the parties mutually agree not to submit their dispute to arbitration.

(f) The Company may summarily suspend, pursuant to Chapter 8, a Participant or Authorized User that fails to satisfy an arbitration award rendered in any arbitration pursuant to this Chapter 9.

9.2. Arbitration of Claims against the Exchange

(a) Any dispute, controversy, or claim against the Exchange by Individual Participants, Entity Participants, Broker Participants, and/or FCM Participants and their Authorized Users and/or Registered Agents related to or arising out of transactions executed and cleared through the PMUS Direct System, or otherwise related to or arising out of participation on the PMUS Direct System shall be resolved and settled through binding arbitration in New York, New York.

(b) Any claims submitted for arbitration under this Rule 9.2 will follow the procedures for arbitration as set forth in the Website Terms of Use. The Company reserves the right to modify the Terms of Use from time to time.

CHAPTER 10
CONTRACT SPECIFICATIONS

10.1. Terms Uniform Across Contracts

(a) Contracts may be traded in fractional units.

(b) All Contract prices are quoted in U.S. Dollars and cents per Contract.

(c) The minimum quote increment for each Contract is $0.001 per Contract unless otherwise specified in the Contract's terms and conditions.

(d) The Exchange may, in its discretion, temporarily refrain from the listing of any Contracts if the Exchange identifies conditions that may be detrimental to the listing of the Contract.

(e) If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, such order, ruling, directive or law shall be construed to take precedence and become part of these Rules, and all open and new Contracts shall be subject to such government orders.

10.2. Contract Specifications

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

10.3. Contract Modifications

(a) If any event or circumstance that may have a material impact on the reliability or transparency of a Contract arises, the Company retains the discretion to modify associated Contract Specifications, including Settlement Date and Payout Condition at any time. The Company will notify Participants and the Commission in accordance with CFTC Regulation 40.6 of any Contract modifications.

(b) If any circumstance arises that would prevent a Contract's value from being determined accurately at the Expiration Date, including but not limited to the rescheduling or cancellation of a relevant event or delayed data from a relevant source, the Company may at its sole discretion adjust the Expiration Date. The Company will notify Participants of modifications.

(c) The specifications for, and the procedures and requirements for trading, any Contract may not be modified in any respect without the prior approval of the Company.

10.4. Contract Outcome Review Process

(a) Prior to Settlement, the Chief Executive Officer, Chief Compliance Officer, Chief Operating Officer, Head of Markets, or their designate may at their sole discretion undertake a review process to evaluate circumstances that may have a material impact on reliability or transparency of the underlying event related to a Contract. Following this review, the Company may determine the final outcome of a Contract. The Company may also reverse the final outcome of a Contract in the case of obvious error. Settlement will occur on the date that the review concludes and the Company reaches a determination on the Contract's final outcome.

(b) The Company will notify Participants of the final determination of a Contract's final outcome following review, including posting to the Company website and related system notifications.

(c) The Company has full discretion in reviewing markets. Determinations made by the Company are final.

CHAPTER 11
LIMITATION OF LIABILITY

EXCEPT AS OTHERWISE PROVIDED IN THESE RULES, AND EXCEPT IN INSTANCES WHERE THERE HAS BEEN A FINDING OF WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS CHAPTER 11, NEITHER THE COMPANY (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUB-CONTRACTORS PROVIDING SERVICES TO THE COMPANY) NOR ANY COMPANY PERSONNEL SHALL BE LIABLE TO ANY OTHER PERSON, INCLUDING ANY PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT, FOR ANY LOSSES, DAMAGES, COSTS, OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES), ARISING FROM ANY FAILURE OR MALFUNCTION OF THE TRADING SYSTEM OR ANY EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR FACILITIES USED TO SUPPORT THE TRADING SYSTEM; ANY FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, OR TERMINATION; DATA ERRORS; GOVERNMENT RESTRICTIONS; FORCE MAJEURE (E.G., EARTHQUAKE, FLOOD, SEVERE OR EXTRAORDINARY WEATHER CONDITIONS, NATURAL DISASTERS OR OTHER ACT OF GOD, FIRE, ACTS OF WAR, TERRORIST ATTACKS, INSURRECTION, RIOT, STRIKES, LABOR DISPUTES OR SIMILAR PROBLEMS, ACCIDENT, ACTION OF GOVERNMENT, COMMUNICATIONS, SYSTEM OR POWER FAILURES AND

EQUIPMENT OR SOFTWARE MALFUNCTION); OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE TRADING SYSTEM OR ANY EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR FACILITIES USED TO SUPPORT THE TRADING SYSTEM. THE FOREGOING SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE. FURTHERMORE, THERE SHALL BE NO LIABILITY BASED UPON, OR IN CONNECTION WITH, ANY QUOTE OR OTHER INFORMATION IF NO CORRELATIVE PURCHASE OR SALE OF A CONTRACT IS MADE, AND IF A CORRELATIVE PURCHASE OR SALE OF A CONTRACT IS MADE, ANY LIABILITY SHALL BE LIMITED IN AMOUNT TO THE AGGREGATE PRICE OF THE CONTRACTS PURCHASED OR SOLD.

THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE COMPANY (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES TO THE COMPANY), RELATING TO THE TRADING SYSTEM OR ANY EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR FACILITIES USED TO SUPPORT THE TRADING SYSTEM, INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THE SERVICES OF THE COMPANY AND THE CLEARINGHOUSE ARE BEING PROVIDED ON AN "AS IS" BASIS AT THE SOLE RISK OF THE PARTICIPANT AND ANY PERSON ASSOCIATED WITH THE PARTICIPANT. NEITHER THE COMPANY (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES TO THE COMPANY) NOR ANY COMPANY PERSONNEL MAKE ANY WARRANTY WITH RESPECT TO, AND NO SUCH PARTY SHALL HAVE ANY LIABILITY TO ANY PARTICIPANT OR ANY PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER) FOR, THE ACCURACY, TIMELINESS, COMPLETENESS, RELIABILITY, PERFORMANCE, OR CONTINUED AVAILABILITY OF THE TRADING SYSTEM OR THE COMPANY OR THE CLEARINGHOUSE, DELAYS, OMISSIONS, OR INTERRUPTIONS IN EXCHANGE SERVICES OR CLEARINGHOUSE SERVICES OR THE CREDITWORTHINESS OF ANY OTHER PARTICIPANT OR ANY PERSON ASSOCIATED WITH A PARTICIPANT. THE COMPANY SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE TRADING SYSTEM OR OTHERWISE. EACH PARTICIPANT AND EACH PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER) ACKNOWLEDGES AND AGREES THAT THE COMPANY (INCLUDING ITS AFFILIATES AND ANY CONTRACTORS AND SUBCONTRACTORS PROVIDING SERVICES TO THE COMPANY) DOES NOT AND SHALL NOT SERVE AS THE PRIMARY BASIS FOR ANY DECISIONS MADE BY SUCH PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT, AS THE CASE MAY BE, AND IS NOT AN ADVISOR OR FIDUCIARY OF SUCH PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT (INCLUDING ANY AUTHORIZED USER), AS THE CASE MAY BE.

EXCEPT AS OTHERWISE PROVIDED IN THESE RULES, ANY LIABILITY OF THE COMPANY (OTHER THAN LIABILITY THAT IS EXCLUDED PURSUANT TO THE PRECEDING TWO PARAGRAPHS OF THIS CHAPTER 11) WILL BE LIMITED TO

DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE ACTS OR OMISSIONS OF THE COMPANY OR COMPANY PERSONNEL; PROVIDED THAT THE TOTAL COMBINED AGGREGATE LIABILITY OF THE COMPANY AND COMPANY PERSONNEL TO ANY ONE PARTICIPANT SHALL NOT EXCEED $2,500 FOR ALL LOSSES FROM ALL CAUSES SUFFERED ON A SINGLE CALENDAR DAY; $5,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND $50,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR YEAR.

ANY PARTICIPANT OR PERSON ASSOCIATED WITH A PARTICIPANT WHO FAILS TO PREVAIL IN A LAWSUIT OR OTHER LEGAL PROCEEDING INSTITUTED BY SUCH PERSON AGAINST THE COMPANY OR THE COMPANY PERSONNEL, AND RELATED TO THE BUSINESS OF THE COMPANY, WILL PAY TO THE COMPANY ALL REASONABLE EXPENSES, INCLUDING ATTORNEYS' FEES, INCURRED BY THE COMPANY IN THE DEFENSE OF SUCH PROCEEDING TO THE EXTENT THAT SUCH EXPENSES EXCEED FIFTY THOUSAND USDs $50,000.00. THIS PROVISION WILL NOT APPLY TO DISCIPLINARY ACTIONS BY THE COMPANY, ADMINISTRATIVE APPEALS OF THE COMPANY ACTIONS OR IN ANY SPECIFIC INSTANCE WHERE THE BOARD OF DIRECTORS HAS GRANTED A WAIVER OF THIS PROVISION.

NOTWITHSTANDING ANY OF THE FOREGOING PROVISIONS, THIS CHAPTER 11 SHALL IN NO WAY LIMIT THE LIABILITY OF ANY PERSON ARISING FROM ANY VIOLATION OF SUCH PERSON OF THE CEA OR CFTC REGULATIONS THEREUNDER.