



December 22, 2025

**VIA COMMISSION PORTAL**

Christopher J. Kirkpatrick  
Secretary, Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Commission Regulation 40.6(a) – Rule Certification  
LedgerX LLC Submission No. 25-37**

Dear Mr. Kirkpatrick:

LedgerX LLC d/b/a MIA X Derivatives Exchange (the “**Company**”) hereby notifies the Commodity Futures Trading Commission (the “**Commission**”), pursuant to Section 5c(c) of the Commodity Exchange Act (the “**CEA**”) and Commission Regulation 40.6(a), that it is certifying the attached amendments to the Company’s Derivatives Clearing Organization (“**DCO**”) Rulebook. The attached amendments will become effective within 10 business days hereof. The current estimated effective date is **January 14, 2026**.

A concise explanation and analysis of the changes and amendments, and their compliance with applicable provisions of the CEA, including the Core Principles and the Commission’s Regulations, are as follows.

The Company has made a number of revisions to clarify its governance and the role of the Chief Compliance Officer and Chief Regulatory Officer (“**CCO**”), including by clarifying: (i) that the Company’s CCO is appointed by the Board of Directors (“**Board**”) in **Rule 1.1**; (ii) the CCO’s role in preparing annual reports under **Rule 2.3**; and (iii) that the Board shall designate the Chairperson of each Committee of the Board and of each Disciplinary Panel in **Rule 2.6** and **Rule 2.11**. In addition, the Company revised **Rule 1.1**, **Rule 2.7**, and **Rule 2.11** to provide that the Board, instead of the Regulatory Oversight Committee (“**ROC**”), appoints the members of a Disciplinary Panel. These revisions are consistent with: (i) **DCO Core Principles A and P**, and CFTC Regulation 39.10, by providing for the Board appointment of the CCO, who facilitates compliance with all Core Principles, without diminishing the responsibility of the ROC to oversee the Company’s regulatory program (*see* **Rules 2.7C** and **2.7E**) and to supervise the CCO who reports directly to the ROC (*see* **Rule 2.7E.4**); (ii) **DCO Core Principle H**, in that they provide for the effective enforcement of disciplinary procedures by the Disciplinary Panel and Appeals Committee; and (iii) **DCO Core Principle O**, in that they establish transparent governance

arrangements by clarifying the process for the appointment of the CCO and the Chairpersons of relevant Committees and Panels consistent with CFTC requirements.

The Company has further refined the DCO Rulebook to facilitate its acceptance of FCM Participants and their Customers. For example, the following Rules have been revised, among others:

- **Rule 1.1** (clarifying that the definition of Customer Funds includes an FCM's residual interest)
- **Rule 2.12** (revising to incorporate Customers into the Emergency Rules)
- **Rule 3.2B.9** (incorporating customer segregation requirements as required under CEA Section 4d(f))
- **Rule 3.3L.16.d** (requiring FCM Participants to certify to the Company that they have systems to ensure that the FCM Participant has deposited sufficient Customer Funds to cover the collateral requirements for the trading of a particular Customer)
- **Rule 3.3L.16.e** (requiring FCM Participants to ensure that each of its Customers has sufficient collateral with the FCM Participant to cover the Company's collateral requirements with respect to that Customer's trading; clarifying that unrealized gains (minus unrealized losses) may be included as part of the Customer's property)
- **Rule 3.12C.1** (requiring an FCM Participant to maintain sufficient Customer Funds in its customer accounts or the DCO's Customer Accounts to comply with CFTC Regulations)
- **Rule 5.3** (aligning when a Limit Order may be cancelled with the Company's full collateralization requirements)
- **Rule 5.4B** (requiring the Company to (i) conduct a review of the Collateral Account for the FCM Participant's Customers to ensure that sufficient funds are on deposit to fully collateralize an Order prior to execution of the Transaction, and (ii) reject the Order if the necessary funds are not on deposit)
- **Rule 6.1A** (clarifying the Company's review of a Participant's Collateral Account, for both a Participant or Customer, to ensure an Order is fully collateralized)
- **Rule 6.2F** (clarifying when the Settlement of a Transaction or Contract is complete)

- **Rule 6.6** (clarifying how the Company reconciles the positions, cash, and collateral balances in the accounts of each Participant, including the Customer Account of each FCM Participant)
- **Rule 7.1** (requiring each Participant, on behalf of itself or its Customers, to deposit and maintain sufficient USD funds to fully collateralize all Orders and each open position in a Contract)

The above revisions are consistent with: (i) **DCO Core Principle C**, in that they clarify the obligations of FCM Participants under DCO Rules; (ii) **DCO Core Principle D**, in that they support the DCO's effective management of risk, including by limiting the risk of default by ensuring the Company remains fully collateralized at all times; (iii) **DCO Core Principle E**, in that they clarify the settlement process for Transactions and Contracts; (iv) **DCO Core Principle F**, in that they support the protection of Customer Funds; (v) **DCO Core Principle H**, in that they enable the Company to establish, monitor, and enforce compliance with its Rules, and effectively enforce disciplinary procedures; and (vi) **DCO Core Principle R**, in that they clarify the legal obligations of FCM Participants.

The Company also revised (i) **Rule 3.9** to clarify Independent Software Vendors' audit trail obligations under DCO Rules and (ii) **Rule 1.1**'s definition of "User ID" to clarify that the unique identifier is linked to a particular Participant or Customer Account. These revisions are consistent with: (i) **DCO Core Principle H**, in that they enable the Company to establish, monitor, and enforce compliance with its Rules, including electronic audit trail requirements; and (ii) **DCO Core Principle K**, in that they ensure the Company maintains records of its business activities;

The Company has added **Rule 3.14** to allow for the acceptance of affiliated clearing participants, provided they comply with certain conditions. These revisions are consistent with **DCO Core Principle P**, in that they minimize potential conflicts of interest between the Company and an affiliated clearing participant.

Certain minor corrections or rephrasing revisions that do not implicate Core Principles were also made.

The changes and amendments to the DCO Rulebook are reflected in a redlined copy designated as **Appendix A**. The final version of the revised DCO Rulebook is attached at **Appendix B**.

The Company certifies that the above changes and amendments comply with the CEA and Commission Regulations thereunder. The Company additionally certifies that it has concurrently posted a copy of this submission letter and the attachments hereto on the Company website at



<https://www.miaxdx.com/reg-notices>. The Company is not aware of any or substantive opposing views to the changes and amendments.

Please contact the undersigned at [margo@miaxdx.com](mailto:margo@miaxdx.com) if you have any questions or you would otherwise like to discuss this further.

Sincerely,

*Margo Bailey*

Margo Bailey  
Senior Counsel, LedgerX LLC d/b/a MIAAX Derivatives Exchange

## **Appendix A**

**LEDGERX LLC  
d/b/a MIAX DERIVATIVES EXCHANGE**

**DERIVATIVES CLEARING ORGANIZATION RULES**

**DCO Version ~~25.01~~26.00**

**~~June 13, 2025.~~ January 14, 2026**

CHAPTER 1 Definitions.....	2
Rule 1.1 Definitions.....	2
Rule 1.2 Rules of Construction.....	15
CHAPTER 2 Company Governance .....	17
Rule 2.1 Ownership .....	17
Rule 2.2 Board.....	17
Rule 2.3 Officers.....	19
Rule 2.4 Eligibility and Fitness.....	20
Rule 2.5 [Reserved].....	23
Rule 2.6 Committees and Subcommittees .....	23
Rule 2.7 Regulatory Oversight Committee .....	24
Rule 2.8 Risk Management Committee.....	25
Rule 2.9 Participant Committee .....	26
Rule 2.10 Nominating Committee.....	27
Rule 2.11 Disciplinary Panel and Appeals Committee .....	28
Rule 2.12 Emergency Rules.....	29
Rule 2.13 Conflicts of Interest.....	32
Rule 2.14 Recordkeeping.....	36
Rule 2.15 Information-Sharing Agreements .....	36
Rule 2.16 Recordkeeping and Reporting Requirements.....	37
Rule 2.17 Public Information.....	39
CHAPTER 3 Participants.....	40
Rule 3.1 Jurisdiction, Applicability of Rules .....	40
Rule 3.2 Participants—Applications, Agreements, Eligibility Criteria, Classifications and Privileges.....	41
Rule 3.3 Participant Obligations .....	47
Rule 3.4 Customer Obligations.....	56
Rule 3.5 Customer Account Requirements .....	58
Rule 3.6 Customer Funds Maintained with the Company .....	59
Rule 3.7 Dues, Fees and Expenses Payable by Participants and Customers.....	59
Rule 3.8 Communications.....	60
Rule 3.9 Independent Software Vendors.....	61
Rule 3.10 Additional Account Provisions.....	62
Rule 3.11 Withdrawal of Participant.....	64
Rule 3.12 FCM Participant Additional Obligations.....	65

Rule 3.13 Withdrawal of FCM Participant.....	70
CHAPTER 4 Liquidity Providers.....	72
Rule 4.1 Application and Agreement.....	72
Rule 4.2 Appointment.....	72
Rule 4.3 Benefits.....	73
Rule 4.4 Obligations.....	73
CHAPTER 5 [Reserved].....	74
CHAPTER 6 Clearing and Delivery.....	75
Rule 6.1 Clearance and Substitution.....	75
Rule 6.2 Settlement of Contracts.....	76
Rule 6.3 Deposit Procedures.....	77
Rule 6.4 Withdrawal Procedures.....	77
Rule 6.5 [Reserved].....	78
Rule 6.6 Reconciliation.....	78
Rule 6.7 Swap Data Reporting.....	79
CHAPTER 7 Margin.....	81
Rule 7.1 Full Collateralization of Contracts Required.....	81
Rule 7.2 Collateral.....	81
Rule 7.3 Segregation of Participant Funds.....	83
Rule 7.4 Concentration Limits.....	84
CHAPTER 8 Business Conduct and Trading Practices.....	85
Rule 8.1 Scope.....	85
Rule 8.2 [Reserved].....	85
Rule 8.3 [Reserved].....	85
Rule 8.4 [Reserved].....	85
Rule 8.5 Acts Detrimental to the Welfare or Reputation of the Company Prohibited.....	85
Rule 8.6 Misuse of the Platform.....	85
Rule 8.7 Supervision; Information Sharing.....	85
Rule 8.8 Business Conduct.....	86
Rule 8.9 [Reserved].....	87
Rule 8.10 [Reserved].....	87
Rule 8.11 [Reserved].....	87
Rule 8.12 [Reserved].....	87
Rule 8.13 [Reserved].....	87

Rule 8.14 [Reserved].....	87
Rule 8.15 [Reserved].....	87
Rule 8.16 [Reserved].....	87
Rule 8.17 [Reserved].....	87
Rule 8.18 [Reserved].....	87
Rule 8.19 Compliance .....	87
CHAPTER 9 Discipline and Enforcement.....	89
Rule 9.1 General.....	89
Rule 9.2 Investigations .....	92
Rule 9.3 Disciplinary Panel.....	93
Rule 9.4 Notice of Charges.....	95
Rule 9.5 Contesting and Appeals .....	96
Rule 9.6 Settlements .....	99
Rule 9.7 Notice of Decision .....	100
Rule 9.8 Penalties.....	101
Rule 9.9 Summary Suspension .....	101
Rule 9.10 Reporting Violations to the Commission .....	103
CHAPTER 10 Arbitration.....	105
Rule 10.1 In General.....	105
Rule 10.2 Fair and Equitable Arbitration Procedures .....	106
Rule 10.3 Withdrawal of Arbitration Claim.....	108
Rule 10.4 Penalties.....	108
Rule 10.5 Arbitration Panel.....	108
CHAPTER 11 Miscellaneous.....	110
Rule 11.1 Adjustments Necessitated by Material Changes in the Underlying.....	110
Rule 11.2 Prohibition on Trading by Company Personnel; Misuse of Material, Non-Public Information.....	110
Rule 11.3 Property Rights.....	111
Rule 11.4 Signatures .....	114
Rule 11.5 Governing Law .....	114
Rule 11.6 Legal Proceedings.....	114
Rule 11.7 LIMITATION OF LIABILITY; NO WARRANTIES .....	115
Rule 11.8 Error Trade Policy .....	120
Rule 11.9 Company Contacts.....	121
Rule 11.10 [Reserved].....	121



Rule 11.11 [Reserved].....	121
Rule 11.12 Amendments to the Rules.....	121
Rule 11.13 Transfer of Trades.....	121
Rule 11.14 Digital Currency Fork Policy.....	123
Rule 11.15 Contracts Not Voidable.....	124
CHAPTER 12 Company Contracts.....	124
Rule 12.1 [Reserved].....	124
Rule 12.2 [Reserved].....	124
Rule 12.3 [Reserved].....	124
Rule 12.4 [Reserved].....	124
Rule 12.5 [Reserved].....	124
Rule 12.6 [Reserved].....	124
Rule 12.7 [Reserved].....	124
Rule 12.8 [Reserved].....	124
Rule 12.9 Company Contracts Offered.....	124
CHAPTER 13 — [RESERVED].....	125

## TABLE OF CONTENTS

	Page
<u>CHAPTER 1 Definitions.....</u>	<u>2</u>
<u>Rule 1.1 Definitions.....</u>	<u>2</u>
<u>Rule 1.2 Rules of Construction .....</u>	<u>16</u>
<u>CHAPTER 2 Company Governance .....</u>	<u>17</u>
<u>Rule 2.1 Ownership .....</u>	<u>17</u>
<u>Rule 2.2 Board .....</u>	<u>17</u>
<u>Rule 2.3 Officers .....</u>	<u>19</u>
<u>Rule 2.4 Eligibility and Fitness .....</u>	<u>20</u>
<u>Rule 2.5 [Reserved] .....</u>	<u>23</u>
<u>Rule 2.6 Committees and Subcommittees .....</u>	<u>23</u>
<u>Rule 2.7 Regulatory Oversight Committee .....</u>	<u>24</u>
<u>Rule 2.8 Risk Management Committee .....</u>	<u>25</u>
<u>Rule 2.9 Participant Committee .....</u>	<u>26</u>
<u>Rule 2.10 Nominating Committee .....</u>	<u>27</u>
<u>Rule 2.11 Disciplinary Panel and Appeals Committee .....</u>	<u>28</u>
<u>Rule 2.12 Emergency Rules .....</u>	<u>29</u>
<u>Rule 2.13 Conflicts of Interest.....</u>	<u>32</u>
<u>Rule 2.14 Recordkeeping .....</u>	<u>36</u>
<u>Rule 2.15 Information-Sharing Agreements .....</u>	<u>36</u>
<u>Rule 2.16 Recordkeeping and Reporting Requirements .....</u>	<u>37</u>
<u>Rule 2.17 Public Information.....</u>	<u>39</u>
<u>CHAPTER 3 Participants.....</u>	<u>40</u>
<u>Rule 3.1 Jurisdiction, Applicability of Rules .....</u>	<u>40</u>
<u>Rule 3.2 Participants – Applications, Agreements, Eligibility Criteria,</u> <u>Classifications and Privileges .....</u>	<u>41</u>
<u>Rule 3.3 Participant Obligations .....</u>	<u>47</u>
<u>Rule 3.4 Customer Obligations.....</u>	<u>56</u>
<u>Rule 3.5 Customer Account Requirements .....</u>	<u>58</u>
<u>Rule 3.6 Customer Funds Maintained with the Company .....</u>	<u>59</u>
<u>Rule 3.7 Dues, Fees and Expenses Payable by Participants and Customers .....</u>	<u>60</u>
<u>Rule 3.8 Communications.....</u>	<u>60</u>
<u>Rule 3.9 Independent Software Vendors.....</u>	<u>61</u>

# TABLE OF CONTENTS

(continued)

	Page
<a href="#">Rule 3.10 Additional Account Provisions .....</a>	63
<a href="#">Rule 3.11 Withdrawal of Participant.....</a>	64
<a href="#">Rule 3.12 FCM Participant Additional Obligations .....</a>	65
<a href="#">Rule 3.13 Withdrawal of FCM Participant.....</a>	70
<a href="#">Rule 3.14 Affiliate Clearing Participants .....</a>	72
<a href="#">CHAPTER 4 Liquidity Providers .....</a>	73
<a href="#">Rule 4.1 Application and Agreement .....</a>	73
<a href="#">Rule 4.2 Appointment .....</a>	73
<a href="#">Rule 4.3 Benefits .....</a>	74
<a href="#">Rule 4.4 Obligations .....</a>	74
<a href="#">CHAPTER 5 [Reserved] .....</a>	75
<a href="#">CHAPTER 6 Clearing and Delivery .....</a>	76
<a href="#">Rule 6.1 Clearance and Substitution .....</a>	76
<a href="#">Rule 6.2 Settlement of Contracts.....</a>	77
<a href="#">Rule 6.3 Deposit Procedures.....</a>	78
<a href="#">Rule 6.4 Withdrawal Procedures .....</a>	79
<a href="#">Rule 6.5 [Reserved] .....</a>	80
<a href="#">Rule 6.6 Reconciliation .....</a>	80
<a href="#">Rule 6.7 Swap Data Reporting .....</a>	80
<a href="#">CHAPTER 7 Margin .....</a>	83
<a href="#">Rule 7.1 Full Collateralization of Contracts Required .....</a>	83
<a href="#">Rule 7.2 Collateral .....</a>	83
<a href="#">Rule 7.3 Segregation of Participant Funds .....</a>	85
<a href="#">Rule 7.4 Concentration Limits.....</a>	86
<a href="#">CHAPTER 8 Business Conduct and Trading Practices .....</a>	87
<a href="#">Rule 8.1 Scope .....</a>	87
<a href="#">Rule 8.2 [Reserved] .....</a>	87
<a href="#">Rule 8.3 [Reserved] .....</a>	87
<a href="#">Rule 8.4 [Reserved] .....</a>	87
<a href="#">Rule 8.5 Acts Detrimental to the Welfare or Reputation of the Company Prohibited ....</a>	87
<a href="#">Rule 8.6 Misuse of the Platform.....</a>	87
<a href="#">Rule 8.7 Supervision; Information Sharing .....</a>	87

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
<a href="#">Rule 8.8 Business Conduct .....</a>	<a href="#">88</a>
<a href="#">Rule 8.9 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.10 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.11 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.12 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.13 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.14 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.15 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.16 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.17 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.18 [Reserved] .....</a>	<a href="#">89</a>
<a href="#">Rule 8.19 Compliance .....</a>	<a href="#">89</a>
<a href="#">CHAPTER 9 Discipline and Enforcement.....</a>	<a href="#">91</a>
<a href="#">Rule 9.1 General.....</a>	<a href="#">91</a>
<a href="#">Rule 9.2 Investigations .....</a>	<a href="#">94</a>
<a href="#">Rule 9.3 Disciplinary Panel.....</a>	<a href="#">95</a>
<a href="#">Rule 9.4 Notice of Charges.....</a>	<a href="#">97</a>
<a href="#">Rule 9.5 Contesting and Appeals .....</a>	<a href="#">98</a>
<a href="#">Rule 9.6 Settlements .....</a>	<a href="#">101</a>
<a href="#">Rule 9.7 Notice of Decision .....</a>	<a href="#">102</a>
<a href="#">Rule 9.8 Penalties.....</a>	<a href="#">103</a>
<a href="#">Rule 9.9 Summary Suspension .....</a>	<a href="#">103</a>
<a href="#">Rule 9.10 Reporting Violations to the Commission .....</a>	<a href="#">105</a>
<a href="#">CHAPTER 10 Arbitration .....</a>	<a href="#">107</a>
<a href="#">Rule 10.1 In General.....</a>	<a href="#">107</a>
<a href="#">Rule 10.2 Fair and Equitable Arbitration Procedures .....</a>	<a href="#">108</a>
<a href="#">Rule 10.3 Withdrawal of Arbitration Claim .....</a>	<a href="#">110</a>
<a href="#">Rule 10.4 Penalties.....</a>	<a href="#">110</a>
<a href="#">Rule 10.5 Arbitration Panel.....</a>	<a href="#">110</a>
<a href="#">CHAPTER 11 Miscellaneous.....</a>	<a href="#">112</a>
<a href="#">Rule 11.1 Adjustments Necessitated by Material Changes in the Underlying.....</a>	<a href="#">112</a>

# TABLE OF CONTENTS

(continued)

	Page
<a href="#">Rule 11.2 Prohibition on Trading by Company Personnel; Misuse of Material, Non-Public Information.....</a>	112
<a href="#">Rule 11.3 Property Rights.....</a>	113
<a href="#">Rule 11.4 Signatures .....</a>	116
<a href="#">Rule 11.5 Governing Law .....</a>	116
<a href="#">Rule 11.6 Legal Proceedings.....</a>	116
<a href="#">Rule 11.7 LIMITATION OF LIABILITY; NO WARRANTIES .....</a>	117
<a href="#">Rule 11.8 Error Trade Policy .....</a>	122
<a href="#">Rule 11.9 Company Contacts.....</a>	123
<a href="#">Rule 11.10 [Reserved].....</a>	123
<a href="#">Rule 11.11 [Reserved].....</a>	123
<a href="#">Rule 11.12 Amendments to the Rules .....</a>	123
<a href="#">Rule 11.13 Transfer of Trades.....</a>	123
<a href="#">Rule 11.14 Digital Currency Fork Policy .....</a>	125
<a href="#">Rule 11.15 Contracts Not Voidable .....</a>	126
<a href="#">CHAPTER 12 Company Contracts.....</a>	126
<a href="#">Rule 12.1 [Reserved] .....</a>	126
<a href="#">Rule 12.2 [Reserved] .....</a>	126
<a href="#">Rule 12.3 [Reserved] .....</a>	126
<a href="#">Rule 12.4 [Reserved] .....</a>	126
<a href="#">Rule 12.5 [Reserved] .....</a>	126
<a href="#">Rule 12.6 [Reserved] .....</a>	126
<a href="#">Rule 12.7 [Reserved] .....</a>	126
<a href="#">Rule 12.8 [Reserved] .....</a>	126
<a href="#">Rule 12.9 Company Contracts Offered.....</a>	126
<a href="#">CHAPTER 13 – [RESERVED].....</a>	127

**DERIVATIVES CLEARING ORGANIZATION RULES  
OF**

**LEDGERX LLC  
d/b/a MIAX DERIVATIVES EXCHANGE**

**Introduction**

The Commodity Exchange Act requires that LedgerX LLC d/b/a MIAX Derivatives Exchange (the “Company”) comply with the core principles set forth in the Commodity Exchange Act, as amended, and the regulations, rules and orders of the Commodity Futures Trading Commission, and establish, monitor and enforce its Rules relating to its business as a Derivatives Clearing Organization (“DCO”). The following Derivatives Clearing Organization Rules of the Company pertain to the clearing of Contracts on the Company DCO, the clearing of other Contracts as a provider of Clearing Services, and the rights and Obligations of Participants and Customers in connection with such activities.

## CHAPTER 1 Definitions

### Rule 1.1 Definitions

As used in these Rules, the following terms have the following respective meanings:

**Affiliate:** A Person who, directly or indirectly, controls, is controlled by, or is under common control with another Person.

**AML:** Anti-money laundering, as defined by the Bank Secrecy Act of 1970, the International Emergency Powers Act, the Trading with the Enemy Act, and by all regulations promulgated thereunder, and applicable Executive Orders, as amended.

**Appeals Committee:** A committee of the Board composed of Directors pursuant to Rule 2.11, and that acts in an adjudicative role and fulfills various adjudicative responsibilities and duties as described in Chapter 9.

**Applicable Law:** With respect to any Person, any statute, law, regulation, rule, code, writ, decree, directive or injunction issued or promulgated, or ordinance of any government, governmental agency or authority, or self-regulatory authority or SRO applicable to such Person, including without limitation the CEA and CFTC Regulations and any laws and regulations relating to economic or trade sanctions.

**As soon as technologically practicable:** As soon as possible, taking into consideration the prevalence, implementation and use of technology by comparable market participants.

**Authorized Representative:** With respect to any Participant that is an entity, a natural person who is an officer of such entity.

**Authorized User:** A natural person who has the power to submit Orders and enter into Transactions on a DCM or SEF that clears through the Company DCO, and submit Transactions to the Company DCO for clearing, on behalf of a Participant or Customer. Where a Participant or Customer is a legal entity, the Authorized User is a natural person employed by, or acting as an agent for, that legal entity. Participants or Customers who are themselves natural persons are the Authorized

Users for their own accounts. All Participants and Customers having any Authorized Users are required to supervise their Authorized Users' activities.

**Binary Option:** An option contract with two positions which settle to an outcome of "YES" or "NO," rather than settling to a price or value.

**Bitcoin or BTC:** A Digital Currency.

**Block Trade:** A privately negotiated transaction effected away from the central limit order book of the Company DCM in accordance with DCM Rule 5.7.

**Board:** The Board of Directors of the Company.

**Business Day:** Any day on which the Company DCM, the Company SEF, or another DCM or SEF that clears trades through the Company DCO is open for trading, as the context requires.

**CEA or Act:** The Commodity Exchange Act, as amended.

**CFTC:** The U.S. Commodity Futures Trading Commission.

**CFTC Regulations:** The regulations of the CFTC, as amended and in effect from time to time, including any Commission-issued orders or interpretive or no-action letters.

**Chief Compliance Officer:** The individual appointed by the Board, ~~in conjunction with the ROC,~~ to serve as the Company's chief compliance officer. For the avoidance of doubt, the same person who is appointed to be the Company DCO's chief compliance officer may also serve as the Company ~~SEF's chief compliance officer and/or the Company~~ DCM's chief regulatory officer.

**Chief Executive Officer:** The individual appointed by the Board to serve as the Company's chief executive officer.

**Chief Risk Officer:** The individual appointed by the Board to serve as the Company's chief risk officer.

**Cleared Swaps Customer:** As defined in Section 22.1 of CFTC Regulations.



**Cleared Swaps Customer Account:** As defined in Section 22.1 of CFTC Regulations and shall include an account established and maintained for a Cleared Swaps Customer by the Company DCO to which a financial asset is or may be credited in accordance with these Rules and such other procedures as the Company DCO may implement from time to time.

**Cleared Swaps Customer Collateral:** As defined in Section 22.1 of CFTC Regulations.

**Cleared Swaps Proprietary Account:** The internal account of the FCM Participant's proprietary funds and cleared swap positions held by the Company DCO, where such USD funds are held in the Member Property Account of the Company DCO and commingled with other Participants but not customers of the FCM Participant.

**Clearing House** means the Company, in its capacity as a DCO.

**Clearing Services** means the provision by the Clearing House to a registered DCM or SEF of fully collateralized clearing, settlement and ancillary services.

**Clearing Privileges:** Any right granted by the Company to a Participant to clear the Company's Contracts or Contracts of another registered DCM or SEF through the Company DCO.

**Collateral Account:** With respect to Direct Access Participants, that Person's Direct Access Participant Account, or the account opened and maintained by the Company DCO at a Settlement Bank (a) to which a Direct Access Participant transfers funds and (b) from which the Company DCO is authorized to debit fees and margin or option premium, and debit or credit settlement payments, as applicable. With respect to FCM Participants, the Cleared Swaps Customer Account, Customer Segregated Account, Cleared Swaps Proprietary Account, and Futures Proprietary Account opened and maintained by the Company DCO at a Settlement Bank in connection with that FCM Participant (a) to which an FCM Participant transfers Customer Funds or Proprietary Funds, as applicable, and (b)

from which the Company DCO is authorized to debit fees and margin or option premium, and debit or credit settlement payments, as applicable.

**Commission or CFTC:** The U.S. Commodity Futures Trading Commission.

**Company:** LedgerX LLC d/b/a MIAX Derivatives Exchange. For the avoidance of doubt, references to the “Company” generally shall refer to the Company in its capacity as a DCO, unless otherwise specified or as the context requires.

**Contract:** Any derivative contract, including a futures contract, option on a futures contract, option contract or swap agreement, based on one or more Underlying subject to the Rules.

**Contract Specifications:** The terms and conditions of a Contract, as amended from time to time, posted on the Website at [miaxdx.com/products](http://miaxdx.com/products).

**Company DCM:** The Designated Contract Market of the Company.

**Company DCO:** The Derivatives Clearing Organization of the Company.

**Company Official:** A Director, Officer, committee member, or such other individual as the Board may designate from time to time.

**Company Personnel:** A Company employee, consultant of the Company, contractor of the Company or agent of the Company.

**Company Representative:** Any Company Official or Company Personnel.

**Company SEF:** The Swap Execution Facility of the Company.

**Compliance Department:** The department, reporting to the Chief Compliance Officer, that is responsible for compliance, investigations and disciplinary proceedings.

**Contract** means any derivative contract, including a futures contract, an option on a futures contract, Binary Option, option contract or swap agreement, based on one or more Underlying and for which the Clearing House provides Clearing Services subject to the Rules.

**Customer:** (i) a Cleared Swaps Customer of an FCM Participant; (ii) a Futures Customer of an FCM Participant; or (iii) both a Cleared Swaps Customer and a Futures Customer of an FCM Participant, in each case as the context requires.

**Customer Account:** A Cleared Swaps Customer Account or a Customer Segregated Account, as the context requires.

**Customer Funds:** As defined in CFTC Regulation 1.3- [\(including both funds from Customers and the residual interest or residual financial interest of FCM Participants\)](#).

**Customer ID:** The unique identifying code an FCM Participant assigns to a Customer and includes in each Customer Order to identify the individual Customer for whom the FCM Participant is exercising Trading Privileges and/or Clearing Privileges.

**Customer Segregated Account:** A “futures account,” as defined in CFTC Regulation 1.3, and shall include an account established and maintained for a Futures Customer by the Company DCO to which a financial asset is or may be credited in accordance with these Rules and such other procedures as the Company DCO may implement from time to time.

**Customer Type Indicator Code or CTI:** A symbol that indicates the buying and selling customer types, as required by CFTC Regulation 1.35(g).

**Default:** For any Participant or Customer, the Company may find (but is not required to find) that the Person is in Default if the Company determines any of the following: (i) that the Person fails to comply with the requirements of Company Rules 6.1H or 7.1; (ii) that the Person fails to promptly discharge any Obligation owed to the Company; (iii) that the Person has failed to timely pay any dues, fees, fines, assessments, or penalties (by whatever name) levied upon it by the Company in accordance with Company Rules; (iv) that the Person has commenced a voluntary or a joint case in bankruptcy, or filed a voluntary petition or an answer seeking liquidation, reorganization, arrangement, readjustment of its debts or any other relief for the benefit of creditors under any bankruptcy or

insolvency act or law of any jurisdiction, now or hereafter existing, or if such Person has applied for or consented to the appointment of a custodian, liquidator, conservator, receiver or trustee (or other similar official) for all or a substantial part of its property; (v) that the Person has made an assignment for the benefit of creditors; (vi) that the Person becomes or admits that it is insolvent; (vii) that an involuntary case is commenced against such Person in bankruptcy or an involuntary petition is filed seeking liquidation, reorganization, arrangement, readjustment of its debts or any relief for the benefit of creditors under any bankruptcy or insolvency act or law of any jurisdiction, now or hereafter existing; (viii) that a custodian, liquidator, receiver or trustee (or other similar official) of the Person is appointed for all or a substantial part of its property, (ix) that a warrant of attachment, execution or similar process is issued against the Person's collateral; (x) that the Securities Investor Protection Corporation has filed an application for a protective decree with respect to the Person; or (xi) any SRO has commenced default or suspension proceedings against the Person.

**Derivatives Clearing Organization or DCO:** As set forth in Section 1a(15) of the CEA and registered with the Commission pursuant to Section 5b of the CEA and in accordance with the provisions of Part 39 of CFTC Regulations.

**Designated Contract Market or DCM:** A board of trade designated by the CFTC as a contract market under Section 5 of the CEA and in accordance with the provisions of Part 38 of CFTC Regulations.

**Digital Currency:** A medium of exchange stored and transferred electronically, including, but not limited to, Bitcoin and Ether.

**Direct Access Participant:** A Person who (i) is not an FCM, (ii) has executed the Direct Access Participant Agreement, (iii) has been accepted by the Company as a Direct Access Participant, (iv) is accessing the Platform directly, and (v) is authorized to enter into Orders and Transactions for the Person's own account.

**Direct Access Participant Agreement:** A written agreement between a Direct Access Participant and the Company that that is a precondition to gaining access

to the Company DCM, SEF, or DCO for the execution and clearance of Transactions.

**Direct Access Participant Account:** An account established and maintained for a Direct Access Participant by the Company DCO to which a financial asset is or may be credited in accordance with these Rules and such other procedures as the Company DCO may implement from time to time.

**Director:** A member of the Board.

**Disciplinary Action:** Any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

**Disciplinary Panel:** A panel appointed by the ~~Regulatory Oversight Committee~~Board pursuant to Rule 2.11 to act in an adjudicative role and fulfill various adjudicative responsibilities and duties as described in Chapter 9.

**Eligible Contract Participant or ECP:** As set forth in Section 1a(18) of the CEA and as further defined in CFTC Regulation 1.3.

**Emergency:** Any occurrence or circumstance which, in the opinion of the Board, the Chief Executive Officer, the Chief Compliance Officer, or a designee duly authorized to issue such an opinion, requires immediate action, and which threatens, or may threaten, such things as the fair and orderly trading in, the liquidation, settlement, delivery, or the integrity of, any Company Contract or other Contract cleared by the Company, or the timely collection and payment of funds in connection with clearing and settlement by the Company, including without limitation:

- a. any circumstance that may materially affect the performance of any Contract cleared and settled by the Company, including without limitation failure of the payment system, the bankruptcy or insolvency of any Participant, or any actual, attempted or threatened theft or forgery of, or other interference with, the Underlying or delivery or transfer thereof;

- b. any action taken by any United States or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, or any agency, department, instrumentality, or subdivision thereof; or other Person exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other entity registered with the Commission, board of trade, market or facility which may have a direct impact on trading, clearing, or settlement of any Contract cleared through the Company;
- c. any actual, attempted or threatened corner, squeeze, congestion, or undue concentration of positions in any Contract cleared through the Company;
- d. any other circumstance that may have a severe, adverse effect upon the functioning of the Company DCO; or
- e. any manipulative or attempted manipulative activity.

**Emergency Action:** An action deemed to be necessary or appropriate to respond to an Emergency and taken pursuant to Rule 2.12.

**Emergency Rules:** Procedures or rules adopted in response to an Emergency pursuant to Rule 2.12.

**Ethereum or ETH or Ether:** A Digital Currency.

**FCM Participant:** A Person who (i) is registered with the Commission as a Futures Commission Merchant and designated as a swap firm (if applicable) with the NFA, (ii) has executed an FCM Participant Agreement, (iii) has been accepted by the Company as an FCM Participant, and (iv) to whom the Company has granted Trading Privileges and Clearing Privileges with respect to its Customer Account(s) and Proprietary Account(s), as applicable.

**FCM Participant Agreement:** A written agreement between an FCM Participant and the Company that is a precondition to gaining access to the Company DCM, SEF and DCO for the execution and clearance of Transactions.

**FCM Participant Withdrawal Close-Out Deadline Date:** (i) In the case of an FCM Participant whose status as an FCM Participant has been terminated by the Clearing House, the date so designated by the Clearing House; or (ii) in the case of an FCM Participant that has delivered an FCM Participant Withdrawal Notice, the date falling 30 days after the FCM Withdrawal Notice Date or such later date as the Clearing House may in its discretion permit and notify in writing to the affected FCM Participant.

**FCM Participant Withdrawal Notice:** Notice served by the FCM Participant on the Clearing House indicating that such FCM Participant intends to withdraw from being a FCM Participant.

**FCM Withdrawal Notice Date:** The date on which an FCM Participant delivers an FCM Participant Withdrawal Notice to the DCO.

**Futures Commission Merchant or FCM:** An individual or entity registered as an FCM as required under the CEA and CFTC Regulation 1.3.

**Futures Customer:** As defined in CFTC Regulation 1.3.

**Futures Proprietary Account:** A “proprietary account,” as defined in CFTC Regulation 1.3.

**Independent Software Vendor or ISV:** A Person that makes available to Participants a system or platform offering smart order routing, front-end trading applications, aggregation, or a combination of the foregoing, but that does not provide Participants the ability to effect Transactions on such system or platform.

**KYC:** Know Your Customer as defined by the Bank Secrecy Act of 1970, the USA PATRIOT Act, and all regulations promulgated thereunder, as amended.

**Legal Entity Identifier or LEI:** The identifying code that is required of each counterparty to any swap subject to the CFTC’s jurisdiction and that is used in all recordkeeping and all swap data reporting pursuant to Part 45 of CFTC Regulations, including any predecessor identifiers and including the Global Markets Entity Identifier or GMEI, which is the current identifier required by the CFTC until the establishment of a global Legal Entity Identifier system.

**Liquidity Provider:** As described in Chapter 4.

**Liquidity Provider Agreement:** An agreement between the Company and a Liquidity Provider that must be executed for a Participant to act as a Liquidity Provider.

**Market Participant Director:** A Director who has been found by the Board to be an authorized representative of a Participant and suitable to be a Director pursuant to Section 5b(c)(2)(Q) of the CEA.

**Matching Engine:** The set of algorithms through which Orders are matched.

**Material Relationship:** As set forth in Rule 2.2F.

**NFA:** The National Futures Association.

**Nominating Committee:** The committee of the Board constituted in accordance with Rule 2.10.

**Notice of Charges:** As set forth in Rule 9.4.

**Novation:** The process whereby a party to a Contract entered into on a SEF or DCM that clears through the Company DCO transfers all of its rights, liabilities, duties and obligations under the Contract to a new legal party other than the counterparty to the original Contract. The transferee accepts all of the transferor's rights, liabilities, duties and obligations under the original Contract. A Novation is valid as long as the transferor and the remaining party to the original Contract are given notice, and the transferor, transferee and remaining party to the original Contract consent to the transfer.

**Obligation:** Any Rule, order or procedure issued by the Company, including a Participant Notice or other requirement implemented by the Company under the Rules (including each term and condition of a Contract), as well as any contractual or financial obligations between, on the one hand, a Person, and on the other hand, the Company, and any Order or Transaction entered into by a Participant, Customer, or its Authorized Representatives or Authorized Users.



**OFAC:** The Office of Foreign Assets Control of the U.S. Department of the Treasury.

**Officer:** An individual as set forth in Rule 2.3.

**Operating Agreement:** The Limited Liability Company Operating Agreement of the Company, as it may be modified from time to time.

**Order:** Either a bid or an offer for a Company Contract entered on the Platform or in accordance with the Rules.

**Oversight Panel:** As defined in CFTC Regulation 1.69.

**Participant:** A Person that has executed either the Direct Access Participant Agreement and been accepted by the Company as a Direct Access Participant, or has executed the FCM Participant Agreement and been accepted by the Company as an FCM Participant.

**Participant Agreement:** The Direct Access Participant Agreement and/or the FCM Participant Agreement, as the context requires.

**Participant Committee:** The committee of the Board constituted in accordance with Rule 2.9.

**Participant Notice:** A communication posted on the Company website or sent by or on behalf of the Company to all Participants in accordance with Rule 2.17.

**Participant Portal:** The vehicle through which Participants send and receive messages to or from the Company and other Participants, update account and contact information, and submit deposit and withdrawal notifications.

**Person:** A natural person, partnership, limited partnership, corporation, limited liability company, joint stock company, unincorporated organization or association, trust or joint venture, or any other similar entity as the context reasonably permits.

**Platform:** The electronic trading facility operated by the Company SEF or DCM, and the Clearing House operated by the Company DCO, as applicable.

**Position Limit:** The maximum number of positions, either net long or net short, in one Series or a combination of various Series with the same Underlying that may

be held or controlled by a Participant or Customer as prescribed by the Company or the Commission.

**Proprietary Account:** A Cleared Swaps Proprietary Account and/or a Futures Proprietary Account of an FCM Participant, as the context requires.

**Proprietary Data and Personal Information:** Information identifying a natural person (e.g., name, e-mail address) or other data proprietary to any Person that discloses such Person's trade secrets, market positions and/or other business transactions, excluding Transaction Data.

**Proprietary Information:** As set forth in Rule 11.3A.

**Public Director:** A Director who has been found by the Board to have no Material Relationship with the Company in accordance with Rule 2.2F.

**Public dissemination and publicly disseminate:** To publish and make available Swap transaction and pricing data in a non-discriminatory manner, through the Internet or other electronic data feed that is widely published (in a manner that is freely available and readily accessible to the public) and in machine-readable electronic format.

**Regulatory Agency:** Any government body, including the Commission, and any organization, whether domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of those subject to its authority, and includes, without limitation, the Company [DCM, the Company DCO](#), any SEF or DCM that clears through the Company DCO, and NFA.

**Regulatory Oversight Committee:** The committee of the Board constituted in accordance with Rule 2.7.

**Regulatory Swap Data:** Includes (i) Swap Transaction and Pricing Data, (ii) Required Swap Creation Data and (iii) Required Swap Continuation Data.

**Reporting Counterparty:** As set forth in Part 45 of CFTC Regulations and means the Participant that is designated as the Reporting Counterparty pursuant to Rule 5.1.

**Required Swap Continuation Data:** As set forth in CFTC Regulation 45.1.

**Required Swap Creation Data:** As set forth in CFTC Regulation 45.1.

**Respondent:** Any Person subject to a Disciplinary Action and such Person's legal counsel or representative.

**Risk Management Committee:** The committee appointed by the Board and constituted in accordance with Rule 2.8.

**Rules:** The rules of the Company, as in effect and as may be amended from time to time.

**Self-Regulatory Organization or SRO:** A DCO, SEF, DCM, NFA, the Financial Industry Regulatory Authority ("FINRA"), and any other organization authorized or licensed by law to regulate the activities of its members.

**Series:** All Contracts having identical terms, including Settlement Date and the value or range of values of an Underlying or category of asset class.

**Settlement Bank:** A depository approved by the Company as an acceptable location for depositing Participant funds or Customer Funds, as applicable.

**Settlement Bank Business Day:** A day a Settlement Bank is open for business.

**Settlement Date:** A Business Day on which: (1) an open Contract expires; (2) settlement occurs; or (3) the Company automatically closes out and settles a Participant's or Customer's Contracts that offset one another. A Contract that is an option (excluding Binary Options) and that has not been exercised on or before the last trading day and time will expire with no value.

**Swap:** A Contract that is a swap as defined in Section 1a(47) of the CEA and as further defined by CFTC Regulation 1.3, and shall include Contracts that are options, including Binary Options, as set forth in the Contract Specifications.

**Swap Data Repository or SDR:** As set forth in Section 1a(48) of the CEA and registered with the Commission pursuant to Section 21 of the CEA and in accordance with Part 49 of CFTC Regulations.

**Swap Execution Facility or SEF:** As set forth in Section 1a(50) of the CEA and registered with the Commission pursuant to Section 5h of the CEA and in accordance with the provisions of Part 37 of CFTC Regulations.

**Swap Transaction and Pricing Data:** Any data required to be reported under Part 43 of CFTC Regulations.

**Trading Hours:** The hours during which Orders may be entered according to the rules of a SEF or DCM that clears through the Company DCO, and as may be revised from time to time by such SEF or DCM.

**Transaction:** Any purchase or sale of any Contract made on a SEF or DCM that clears through the Company DCO or pursuant to the Rules.

**Transaction Data:** Orders, bids, offers and related information concerning Contracts executed subject to the Rules, together with all information and other content contained in, displayed on, generated by or derived from the Platform.

**UCC:** The Uniform Commercial Code as in effect in the State of New York.

**Underlying:** The index, rate, risk, measure, instrument, differential, indicator, value, contingency, commodity, occurrence, or extent of an occurrence that shall determine the amount payable or deliverable under a Contract.

**Unique Transaction Identifier or UTI:** The unique identifier for a swap transaction, which shall be created, transmitted, and used for each swap executed on a SEF or DCM that clears through the Company DCO as provided in CFTC Regulation 45.5.

**U.S. Dollar or USD:** U.S. dollars and cents.

**User ID:** The unique identifier for an Authorized User [linked to a particular Participant Account or Customer Account](#), and which is included on each Order to enable the Company to identify the Person entering such Orders.

**Website:** The Company home page and related pages accessible via the Internet, at, or connected with, the domain name miaxdx.com.

## **Rule 1.2 Rules of Construction**

For purposes of these Rules, the following rules of construction shall apply:

1. Words conveying a singular number include the plural number, where the context permits, and vice versa.
2. References to any Regulatory Agency include any successor Regulatory Agency.
3. If, for any reason, a Rule is found or determined to be invalid or unenforceable by a court of law, the Commission or another governmental or quasi-governmental agency with supervisory authority, such Rule shall be considered severed from the Rules and all other Rules shall remain in full force and effect.
4. All references to time are to the local time in New York, New York unless expressly provided otherwise.
5. All terms defined in the UCC and not otherwise defined herein shall have the respective meanings accorded to them therein.
6. In the event of a conflict between these Rules and a non-disclosure agreement between the Company or an Affiliate of the Company and a Participant or Customer, these Rules shall govern.
7. In the event of a conflict between these Rules and the CEA or CFTC Regulations, the applicable provision of the CEA and/or CFTC Regulation shall govern.

## **CHAPTER 2 Company Governance**

### **Rule 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. Participant status does not confer any equity interest or voting right in the Company.

### **Rule 2.2 Board**

- A. The Board shall, subject to applicable provisions in the Operating Agreement:
1. Be the governing body of the Company;
  2. Be constituted, and shall constitute its committees or subcommittees, to permit consideration of the views of market participants;
  3. Have charge and control of all property of the Company;
  4. Provide, acquire and maintain adequate Company offices and facilities;
  5. Fix, determine and levy all Participant, Customer, or other fees when necessary;
  6. Determine the Company's Contracts and the Company's Contract Specifications;
  7. Adopt, amend or repeal any Rules, with the input of Officers and committees or subcommittees;
  8. Have the power to act in Emergencies as detailed in Rule 2.12; and
  9. Have the power to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of the Officers, committees or subcommittees related to the day-to-day business operations of the Company.

- B. Any authority or discretion by the Rules vested in any Officer or delegated to any committee or subcommittee shall not be construed to deprive the Board of such authority or discretion and, in the event of a conflict, the determination of the matter by the Board shall prevail.
- C. A majority of the Directors serving on the Board, including at least one Public Director, shall constitute a quorum for the transaction of business of the Board. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting, and the Board may act only by the decision of a majority of the Directors constituting a quorum of the Board by vote at a meeting, by unanimous written consent without a meeting, or as otherwise set forth in the Operating Agreement.
- D. The Board shall comprise the number of Directors set forth in the Operating Agreement, which shall include Public Directors and Market Participant Directors in at least the number or percentage required under the CEA or CFTC Regulations, but in any event, (i) no less than two Directors shall be Public Directors and (ii) no less than two Directors shall be Market Participant Directors. Each Director (including Public Directors and Market Participant Directors) shall be appointed in accordance with the Operating Agreement, and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.
- E. Each Director is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Company.
- F. To qualify as a Public Director, an individual must be found, by the Board and on the record, to have no Material Relationship, as defined below, with the Company. The Board must make such finding at the time the Public Director is elected and as often as necessary in light of all circumstances relevant to such Public Director, but in no case less than annually. A “Material Relationship” is one that reasonably could affect the independent judgment or decision-making of the Director. The Board need not consider

previous service as a Director of the Company to constitute a Material Relationship. A Director shall be considered to have a Material Relationship with the Company if any of the following circumstances exist or have existed within the past year:

1. such Director is or was an Officer or an employee of the Company, or an officer or an employee of an Affiliate of the Company;
  2. such Director is or was a Participant; or
  3. such Director is or was a director, an officer, or an employee of a Participant.
- G. If any of the immediate family of a Director, i.e., spouse, parents, children, and siblings, in each case, whether by blood, marriage, or adoption, or any person residing in the home of the Director or that of his or her immediate family have a Material Relationship as defined above, then that Material Relationship is deemed to apply to such Director.
- H. The Board shall have procedures, as may be adopted by the Board from time to time, to remove a Director where the conduct of such Director is likely to be prejudicial to the sound and prudent management of the Company.
- I. The Board may review its performance and that of its individual Directors annually and may consider periodically using external facilitators for such review.

### **Rule 2.3 Officers**

- A. The Board shall appoint a Chief Executive Officer, Chief Compliance Officer, Chief Risk Officer and such other officers of the Company as it may deem necessary or appropriate from time to time.
- B. The Chief Compliance Officer must:
1. have the background and skills appropriate for fulfilling the responsibilities of the position;



2. be an individual who would not be disqualified from registration under Section 8a(2) or 8a(3) of the CEA;
  3. directly report to the Board and the Regulatory Oversight Committee, in addition to, and separate from, the CCO's reporting line to the Chief Executive Officer; and
  4. fulfill his or her duties as required pursuant to CFTC Regulations, including, but not limited to, the preparation and submission of an annual compliance report as described in CFTC Regulation 39.10(c)(3), and assist the Regulatory Oversight Committee in its preparation of an annual report [consistent with the requirements of Appendix B to Part 38 of the CFTC Regulations](#).
- C. Any Officer may also be a director, officer, partner or employee of the Company or of any of its Affiliates, subject to disclosure and resolution of conflicts of interest. Notwithstanding the foregoing, the Chief Compliance Officer and the Chief Risk Officer must be two different individuals.
- D. The Officers shall have such powers and duties in the management of the Company as the Board may prescribe from time to time, subject to any limitations set forth in the Operating Agreement.
- E. Each Officer is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Company.

#### **Rule 2.4 Eligibility and Fitness**

- A. An individual may not serve as a Director or Officer, or serve on a committee or subcommittee established by the Board or hold a 10 percent or more ownership interest in the Company, if the individual:
1. within the prior three years has been found, by a final decision of a court of competent jurisdiction, an administrative law judge, the CFTC, or any Self-Regulatory Organization, to have committed a disciplinary offense;

2. within the prior three years has entered into a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
3. is currently suspended from trading on a Designated Contract Market or a Swap Execution Facility, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence of probation, or owes any portion of a fine or penalty imposed pursuant to either:
  - a. a finding by final decision of a court of competent jurisdiction, an administrative law judge, the CFTC or any Self-Regulatory Organization 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 disciplinary offense;
4. is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;
5. is currently, or within the past three years has been, subject to a revocation or suspension of registration by the CFTC, 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;
6. is currently subject to a denial, suspension or disqualification from serving on a disciplinary panel, 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
7. is subject to a statutory disqualification pursuant to Section 8a(2) of the CEA.

For purposes of this Rule 2.4A, the terms “disciplinary offense,” “final decision” and “settlement agreement” have the meaning given those terms in CFTC Regulation 1.63(a).

- B. Any Director, Officer, member of a committee established by the Board and any individual nominated to serve in any such role, shall immediately notify the Chief Executive Officer if such individual is subject to one or more of the criteria in Rule 2.4A. Prior to nomination to the Board, each individual shall certify he or she is not disqualified pursuant to Rule 2.4A. Upon appointment, each Director, Officer, and member of a committee shall provide to the Company, where applicable, changes in registration information within 30 days and certification of compliance accordingly. The Company shall verify information supporting Board compliance with eligibility criteria.
- C. To serve as a Director, an individual must possess the ability to contribute to the effective oversight and management of the Company, taking into account the needs of the Company and such factors as the individual’s experience, perspective, skills and knowledge of the industry in which the Company operates.
- D. A Director or Officer must meet any qualifications set forth from time to time in the Operating Agreement.
- E. An individual may not serve on any Disciplinary Panel, arbitration panel, or the Appeals Committee during any proceeding affecting or concerning such individual, to be determined in a reasonable manner by the Company’s General Counsel.
- F. If the Company determines that an individual subject to this Rule 2.4 no longer meets the criteria set forth in Rule 2.4.A., the Company shall inform the CFTC of such determination. The Company shall provide to the CFTC, upon request, an individual’s certification of compliance with the criteria set forth in Rule 2.4.A.

## Rule 2.5 [Reserved]

## Rule 2.6 Committees and Subcommittees

- A. The Board may create, appoint Directors to serve on, and delegate powers to, committees and subcommittees, except as otherwise specified herein. There shall be a Regulatory Oversight Committee, a Risk Management Committee, a Participant Committee, a Nominating Committee, and an Appeals Committee. Additional committees and subcommittees may be created and operated at the Board's discretion. The Board shall designate the Chairperson of each such Committee. Additionally, there shall be one or more Disciplinary Panels as set forth herein, which may consist of persons who are not Directors, and whose members are appointed by the ~~Regulatory Oversight Committee. The Board shall designate the chairperson of each such committee, except that the chairperson of the Board shall designate the chairperson of the Appeals Committee and the Regulatory Oversight Committee shall designate the members and chairperson of each Disciplinary Panel.~~Board.
- B. Each committee and subcommittee shall assist in the supervision, management and control of the affairs of the Company within its particular area of responsibility, subject to the Operating Agreement and the authority of the Board.
- C. Subject to the authority of the Board, each committee and subcommittee shall determine the manner and form in which its proceedings shall be conducted. A majority of the members serving on a committee or subcommittee, including at least one Public Director, shall constitute a quorum for the transaction of business of a committee or subcommittee. Each committee and subcommittee may act only by the decision of a quorum, by vote at a meeting or by unanimous written consent without a meeting. The Board has the authority to overrule the decisions of any committee or subcommittee.

## Rule 2.7 Regulatory Oversight Committee

- A. The Regulatory Oversight Committee shall be a standing committee of the Board consisting of only Public Directors, as appointed from time to time. No less than two Public Directors shall serve on the Regulatory Oversight Committee.
- B. Each member of the Regulatory Oversight Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee or as a Public Director. A member of the Regulatory Oversight Committee may serve for multiple terms.
- C. The Regulatory Oversight Committee shall oversee the Company's regulatory program on behalf of the Board. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate. The Regulatory Oversight Committee shall make such recommendations to the Board that will, in its judgment, best promote the interests of the Company. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time.
- ~~D. The Regulatory Oversight Committee shall appoint individuals to each Disciplinary Panel in accordance with these Rules, Applicable Law and the composition requirements of the Disciplinary Panels. The Committee shall appoint at least one person who would not be disqualified from serving as a Public Director, and who shall serve as the Chairperson of the Disciplinary Panel.~~
- E.D. The Regulatory Oversight Committee shall prepare an annual report that assesses the Company's self-regulatory program for the Board and the CFTC. The annual report sets forth the regulatory program's expenses,

describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of each Disciplinary Panel. Such report may be prepared in conjunction with the Chief Compliance Officer's annual compliance report as required pursuant to CFTC Regulation 39.10(c)(3).

F.E. Without limiting the generality of the foregoing, the Regulatory Oversight Committee shall have the authority to:

1. monitor the regulatory program of the Company for sufficiency, effectiveness, and independence;
2. oversee all facets of the regulatory program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Participants and Customers (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;
3. review the size and allocation of the regulatory budget and resources; and the number, hiring, termination, and compensation of regulatory personnel;
4. supervise the Chief Compliance Officer of the Company, who will report directly to the Regulatory Oversight Committee, the Board, and the Chief Executive Officer;
5. recommend changes that would ensure fair, vigorous, and effective regulation; and
6. review all regulatory proposals prior to implementation and advise the Board as to whether and how such changes may impact regulation.

## **Rule 2.8 Risk Management Committee**

- A. The Risk Management Committee shall be a standing committee consisting of at least 35 percent Public Directors, one Market Participant Director, and

one Company Officer. The Risk Management Committee also may allow the participation of other market participants.

- B. Each member of the Risk Management Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Risk Management Committee or as a Public Director. A member of the Risk Management Committee may serve for multiple terms.
- C. The Risk Management Committee shall oversee the Company's risk management program. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Risk Management Committee to fulfill its mandate. The Risk Management Committee shall make such recommendations to the Board that will, in its judgment, best promote the interests of the Company. The Risk Management Committee shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time.

## **Rule 2.9 Participant Committee**

- A. The Participant Committee shall be a standing committee of the Board consisting of at least 35 percent Public Directors, as appointed from time to time. No less than two Public Directors shall serve on the Participant Committee.
- B. Each member of the Participant Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Participant Committee or as a Public Director. A member of the Participant Committee may serve for multiple terms.

- C. The Participant Committee shall determine the standards and requirements for initial and continuing membership or participation eligibility; review appeals of Company staff denials of Direct Access Participant, FCM Participant and Liquidity Provider applications; and approve measures that would result in different categories or classes of Company membership. In reviewing staff denials, the Participant Committee shall not uphold any such Company staff denial if the relevant application satisfies the standards and requirements that the Participant Committee sets forth. The Participant Committee shall not, and shall not permit the Company to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly situated categories or classes of Participants.

#### **Rule 2.10 Nominating Committee**

- A. The Nominating Committee shall be a standing committee of the Board consisting of at least 51 percent Public Directors, as appointed from time to time. No less than two Public Directors shall serve on the Nominating Committee.
- B. Each member of the Nominating Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Nominating Committee or as a Public Director. A member of the Nominating Committee may serve for multiple terms.
- C. The Nominating Committee shall identify individuals qualified to serve on the Board, consistent with criteria approved by the Board, and with the composition requirements set forth in the Rules or Operating Agreement. The Nominating Committee shall administer a process for the nomination of individuals to the Board. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Nominating



Committee to fulfill its mandate. The Nominating Committee shall make such recommendations to the Board that will, in its judgment, best promote the interests of the Company. The Nominating Committee shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time.

#### **Rule 2.11 Disciplinary Panel and Appeals Committee**

A. A Disciplinary Panel shall:

1. consist of at least three members appointed by the ~~Regulatory Oversight Committee~~Board, at least 35 percent of whom would qualify as Public Directors, although they are not required to be Directors. One of the Disciplinary Panel members who is qualified to be a Public Director will serve as the ~~chairperson~~Chairperson, as appointed by the ~~Regulatory Oversight Committee~~Board from time to time. At least one member of a Disciplinary Panel must be a Participant or an employee of a Participant. The Board may establish more than one Disciplinary Panel. ~~The Regulatory Oversight Committee~~The Board will appoint individuals for membership on each Disciplinary Panel. Each Disciplinary Panel shall include members with sufficiently differing experience and Participant interests such that no group or class of Participants may dominate or exercise disproportionate influence on a Disciplinary Panel. A Disciplinary Panel shall not include any members of the Company's ~~compliance~~Compliance Department, and no member of a Disciplinary Panel shall participate in adjudicating any other stage of the same proceeding reviewed by that Disciplinary Panel.
2. be responsible for conducting hearings, rendering decisions, and imposing sanctions with respect to any Disciplinary Action. Each Disciplinary Panel shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may determine from time to time.

- B. Each member of a Disciplinary Panel shall serve for a term of two calendar years from the date of his or her appointment, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of that Disciplinary Panel. A member of a Disciplinary Panel may serve for multiple terms.
- C. The Appeals Committee shall be:
1. a standing committee consisting of at least three members of the Board. The members of the Appeals Committee and its Chairperson shall be appointed by the ~~Chairperson of the~~ Board, provided that, at all times the Appeals Committee shall include at least 35 percent Public Directors, ~~and the Chairperson of the Appeals Committee shall be a Public Director.~~
  2. responsible for reviewing decisions of Disciplinary Panels, conducting hearings as it deems appropriate, rendering decisions of such appeals, and imposing sanctions with respect to such appeals. The Appeals Committee shall also have such other powers and perform such other duties as set forth in these Rules and as the Board may determine from time to time.
- D. Each member of the Appeals Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Appeals Committee or as a Public Director. A member of the Appeals Committee may serve for multiple terms.

#### **Rule 2.12 Emergency Rules**

- A. During an Emergency, the Company may implement temporary emergency procedures and rules pursuant to Rule 2.12D, subject to the applicable provisions of the CEA and CFTC Regulations.

- B. The Chief Executive Officer or his or her designee and the Chief Compliance Officer or his or her designee, acting in conjunction or, if it is not possible to act in conjunction, acting alone, are authorized to determine whether an Emergency exists and whether Emergency Rules or Emergency Actions are warranted. Emergency Rules may require or authorize the Company, the Board, any committee of the Board or any Officer to take Emergency Actions, including, but not limited to, the following actions:
1. suspend or curtail clearing of any Contract traded on a SEF or DCM that clears through the Company DCO, or limit such clearing to transactions that result in liquidations;
  2. [Reserved];
  3. provide alternative settlement mechanisms for any Contract cleared by the Company DCO (including by altering the settlement terms or conditions or fixing the settlement price) or suspend the transfer of the Underlying;
  4. order the transfer or liquidation of open positions in any Contract cleared by the Company DCO; provided that if a Contract is fungible with a contract on another platform in addition to the Company, the liquidation or transfer of open interest in such Contract will be ordered only as directed, or agreed to, by CFTC staff or the CFTC;
  5. [Reserved];
  6. require Participants and Customers to meet special margin requirements;
  7. order the transfer of Contracts and the associated margin;
  8. impose or modify position limits, price limits, and intraday market restrictions; or
  9. any other action, if so directed by the CFTC.

- C. Before taking an Emergency Action, the effects of such Emergency Action on markets underlying the Contract(s) affected by such Emergency Action, on markets that are linked or referenced to such Contracts and similar markets on other trading venues, or any potential conflicts of interest shall be considered and documented as required under Rule 2.12F.
- D. Before any Emergency Rule may be adopted and enforced, the Regulatory Oversight Committee shall approve the implementation of such Emergency Rule at a duly convened meeting. If the Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Regulatory Oversight Committee can reasonably be convened, then the Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, shall have the authority, without Board or committee action, to implement any Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, must convene a meeting of the Regulatory Oversight Committee to ratify the actions taken by the Chief Executive Officer, or his or her designee, or the Chief Compliance Officer, or his or her designee, as soon as practicable. Whenever the Company implements an Emergency Rule or takes an Emergency Action, a duly authorized representative of the Company, where possible, will inform Participants [and Customers](#) through a Participant Notice.
- E. The Company will use reasonable efforts to notify the CFTC and the Board prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not possible or practicable, the Company will notify the CFTC and the Board as soon as possible or reasonably practicable, but in

any event no longer than 24 hours after implementing, modifying or terminating an Emergency Rule.

- F. Upon taking any Emergency Action, the Company will document the decision-making process related to such Emergency Action, including the process for minimizing conflicts of interest, the extent to which the Company considered the effect of its Emergency Action on the Underlying markets and on markets that are linked or referenced to the contract market and similar markets on other trading venues, and reasons for using emergency authority under this Rule 2.12. Such documentation will be maintained in accordance with Rule 2.14.
- G. The Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, may determine that an Emergency has been reduced sufficiently to allow the Company to resume normal functioning, in which case any Emergency Actions responding to such Emergency will be terminated and a duly authorized representative of the Company will inform Participants [and Customers](#) through a Participant Notice.
- H. Participants [and Customers](#) must promptly notify the Company of any circumstance that may give rise to a declaration of an Emergency.

#### **Rule 2.13 Conflicts of Interest**

- A. Named Party in Interest Conflict
  - 1. No member of the Board, Oversight Panel 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 cleared through the Company DCO; 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.
- 2. 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.
- 3. The Chief Compliance Officer shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this Rule 2.13A. Such determination shall be based upon a review of the following information:
  - a. information provided by such member pursuant to clause (2) above; and
  - b. any other source of information that is held by and reasonably available to the Company.

**B. Financial Interest in a Significant Action Conflict**

- 1. No member of the Board, Oversight Panel 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 Company or non-Company positions that could reasonably be expected to be affected by the action.
- 2. 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.

3. 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 2.13B. Such determination shall be based upon a review of the following information:
  - a. the most recent large trader reports and clearing records available to the Company;
  - b. gross positions held at the Company in the member's personal accounts or "controlled accounts," as defined in CFTC Regulation 1.3;
  - c. gross positions held at the Company in proprietary accounts, as defined in CFTC Regulation 1.17(b)(3), at the member's affiliated firm;
  - d. gross positions held at the Company in accounts in which the member is a principal, as defined in CFTC Regulation 3.1(a);
  - e. net positions held at the Company in "customer" accounts, as defined in CFTC Regulation 1.17(b)(2), at the member's affiliated firm;
  - f. any other types of positions, whether maintained at the Company or elsewhere, held in the member's personal accounts or the proprietary accounts of the member's affiliated firm that the Chief Compliance Officer reasonably expects could be affected by the significant action;
  - g. information provided by such member pursuant to clause (2) above; and

- h. any other information reasonably available to the Company, taking into consideration the exigency of the significant action being contemplated.
- 4. Any member who would otherwise be required to abstain from deliberations and voting pursuant to clause (1) above 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; provided, however, that before reaching any such determination, the deliberating body will fully consider the information specified in clause (3) above 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 in the deliberations is necessary to achieve a quorum; and
  - b. whether such member has unique or special expertise, knowledge or experience in the matter being considered.
- C. The minutes of any meeting to which the conflicts determination procedures set forth in this Rule apply shall reflect the following information:
  - 1. the names of all members who participated in such meeting;
  - 2. 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;
  - 3. the information that was reviewed for each member of the relevant deliberating body; and
  - 4. any determination made in accordance with Rule 2.13A.3 or Rule 2.13B.4 above.



## **Rule 2.14 Recordkeeping**

- A. The Company shall keep, or cause to be kept, complete and accurate books and records of accounts and activities of the Company, including all books, records and other documentation required to be maintained pursuant to the CEA and CFTC Regulations.
- B. The Company shall retain all such books and records in accordance with the CEA and CFTC Regulations.
- C. The Company will provide information required to be maintained or provided pursuant to the CEA and CFTC Regulations to the Commission, the U.S. Securities and Exchange Commission (the “SEC”), the U.S. Department of Justice or any representative of a prudential regulator as authorized by the Commission, upon request, in each case in the form and manner required under these Rules, and/or the CEA and CFTC Regulations.

## **Rule 2.15 Information-Sharing Agreements**

- A. The Company may enter into information-sharing agreements or other arrangements or procedures to coordinate surveillance with other markets on which financial instruments related to the Contracts cleared through the Company trade. As part of any information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, the Company may:
  - 1. provide market surveillance reports to other markets;
  - 2. share information and documents concerning current and former Participants, Customers, or Authorized Users with other markets;
  - 3. share information and documents concerning ongoing and completed investigations with other markets; or
  - 4. require its current or former Participants, Customers, or Authorized Users to provide information and documents to the Company at the request of other markets with which the Company has an

information-sharing agreement or other arrangements or procedures.

- B. The Company may enter into any information-sharing agreements or other arrangements or procedures, including an information-sharing agreement or other arrangement or procedure similar to that described above in paragraph (A), with any Person or body (including but not limited to a Regulatory Agency or Swap Data Repository) if the Company considers such agreement, arrangement or procedures to be in furtherance of the Company's purpose or duties under these Rules or Applicable Law.
- C. The Company may provide information to a duly authorized foreign governmental authority, as directed by the CFTC, in accordance with an information-sharing agreement or other arrangements or procedures executed with such foreign governmental authority or the CFTC.

#### **Rule 2.16 Recordkeeping and Reporting Requirements**

- A. In the event the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee, the Risk Management Committee or the Chief Compliance Officer, the Company shall maintain documentation detailing: (1) the recommendation or action of the Regulatory Oversight Committee, the Risk Management Committee or the Chief Compliance Officer, as the case may be; (2) the rationale for such recommendation or action; (3) the rationale of the Board for rejecting such recommendation or superseding such action; and (4) the course of action that the Board decided to take contrary to such recommendation or action.
- B. In the event that the Risk Management Committee rejects a recommendation or supersedes an action of any of its subcommittees, the Company shall maintain documentation detailing (1) the recommendation or action of the subcommittee; (2) the rationale for such recommendation or action; (3) the rationale of the Risk Management Committee for rejecting such recommendation or superseding such action; and (4) the course of

action that the Risk Management Committee decided to take contrary to such recommendation or action.

- C. In accordance with Rule 6.7, the Company shall report all Transactions of Swaps required to be reported by the Company to a Swap Data Repository selected by the Company for such purpose within the time limits set forth in CFTC Regulations. Parties to a Transaction where reporting is required shall be responsible for any of their own reporting obligations. Participants shall include with any Order sufficient information to enable the Company to report all Required Swap Creation Data pursuant to Part 45 of CFTC Regulations, including but not limited to the information prescribed under Rule 5.2B.10 in the Rulebooks for the Company's Designated Contract Market and Swap Execution Facility (to the extent such information is not pre-populated by the applicable Platform). Participants may provide certain data to the Company in connection with the Participant's application, such as whether the Participant is a U.S. person, swap dealer, major swap participant, or financial entity as defined in the Participant Agreement. Participants must inform the Company immediately of any change in status that would affect data to be reported to a Swap Data Repository in accordance with Rule 6.7.
- D. [Reserved]
- E. The Company shall keep and maintain books and records identifying each Order submitted to the Company and each Transaction effected pursuant to these Rules, including the identification of the execution method (e.g., central limit order book, Block Trade) with respect to each such Order and Transaction. These books and records shall be kept and maintained in accordance with the CEA and CFTC Regulations.
- F. The Company shall submit to the CFTC within thirty days after each Board election a list of the Board's Directors, the Participant interests they represent, and how the composition of the Board meets the requirements of CFTC Regulation 1.64(b) and the Company's Rules and procedures.

## **Rule 2.17 Public Information**

- A. Accurate, complete and current copies of these Rules and Contract Specifications shall be published on the Website.
- B. The Company shall make public on a daily basis information on settlement prices, volume, open interest, and opening and closing ranges for actively traded Contracts.
- C. Except as provided herein, the Company shall publish on its Website a Participant Notice with respect to each addition to, modification of, or clarification of, the Rules, the Matching Engine, and any Contract Specification prior to the earlier of:
  - 1. the effective date thereof; and
  - 2. the filing of such change with the Commission.
- D. If confidential treatment is sought with respect to any information the Company submits to a Regulatory Agency, only the public version of such filing shall be disclosed pursuant to Rule 2.17C.
- E. Any Participant Notice shall be deemed to have been made to all Participants, and to all Customers, and any other such Person as may be required by sending such Participant Notice to the email address on file with the Company or by posting the Participant Notice on the Website.
- F. Any information published in accordance with this Rule 2.17 shall specify whether it applies to the Company DCM, and/or the Company DCO, and/or the Company SEF.

## **CHAPTER 3 Participants**

### **Rule 3.1 Jurisdiction, Applicability of Rules**

- A. ANY PERSON, INCLUDING A PARTICIPANT (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A LIQUIDITY PROVIDER), CUSTOMER, ISV, OR THEIR RESPECTIVE AUTHORIZED REPRESENTATIVES, AUTHORIZED USERS, EMPLOYEES OR AGENTS, DIRECTLY OR INDIRECTLY INITIATING, EXECUTING, AND/OR CLEARING A TRANSACTION ON THE COMPANY OR SUBJECT TO THESE RULES, ANY PERSON FOR WHOSE BENEFIT SUCH A TRANSACTION HAS BEEN INITIATED OR EXECUTED, AND/OR CLEARED, AND ANY OTHER PERSON ACCESSING THE PLATFORM: (i) AGREES TO BE BOUND BY AND COMPLY WITH THESE RULES, THE OBLIGATIONS AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO SUCH PERSON; (ii) EXPRESSLY CONSENTS AND SUBMITS 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 PERSON; AND (iii) AGREES TO ASSIST THE COMPANY IN COMPLYING WITH THE COMPANY'S LEGAL AND REGULATORY OBLIGATIONS, COOPERATE WITH THE COMPANY, THE CFTC AND ANY REGULATORY AGENCY WITH JURISDICTION OVER THE COMPANY IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING. ANY AMENDMENTS TO OR THE REPEAL OF A RULE, OR THE ADOPTION OF A NEW RULE, SHALL, UPON THE EFFECTIVE DATE OF SUCH AMENDMENT, REPEAL OR ADOPTION, AS APPLICABLE, BE BINDING ON ALL PERSONS SUBJECT TO THE JURISDICTION OF THE COMPANY, REGARDLESS OF WHEN SUCH PERSON BECAME SUBJECT TO THE COMPANY'S JURISDICTION, AND ON ALL CONTRACTS AS APPLICABLE.

- B. ALL COMPANY PARTICIPANTS AND CUSTOMERS ARE ALSO SUBJECT TO THE JURISDICTION OF THE CFTC REGARDLESS OF LOCATION, NATIONALITY, CITIZENSHIP, OR PLACE OF INCORPORATION.
- C. NO PARTICIPANT, CUSTOMER, AUTHORIZED REPRESENTATIVE, AUTHORIZED USER, OR OTHER PERSON SUBJECT TO THE COMPANY'S JURISDICTION SHALL FAIL TO COMPLY WITH AN ORDER OF THE BOARD, ANY BOARD COMMITTEE, HEARING COMMITTEE, ARBITRATION PANEL, OR COMPANY STAFF.

**Rule 3.2 Participants – Applications, Agreements, Eligibility Criteria, Classifications and Privileges**

The Company will provide fair and open access to the Platform in an impartial, transparent, and non-discriminatory manner.

- A. Each Participant shall have the right to access the Platform electronically, including the right to clear trades for its account, provided that such Participant has applied, is eligible for, and has received Trading Privileges and Clearing Privileges. To be eligible to become a Participant, an applicant must:
  - 1. complete and submit the applicable Company Participant Agreement, User Agreement, and application fee, as may be established by the Company from time to time;
  - 2. not be subject to any economic or trade sanctions programs administered by OFAC or other relevant U.S. or non-U.S. authority, and must not be listed on OFAC's List of Specially-Designated Nationals and Blocked Persons, or if applicant is an entity, not include any such person among its beneficial owners;
  - 3. for legal entity applicants: be validly organized, and in good standing, in the United States, Cayman Islands, or British Virgin Islands;

4. for natural person applicants: be a U.S. Person;
  5. as applicable, be an Eligible Contract Participant in order to clear trades executed on a SEF through the Company DCO, or to clear Block Trades executed on a DCM through the Company DCO;
  6. not be prohibited from using the services of the Company for any reason whatsoever;
  7. have a good reputation and business integrity and maintain adequate financial resources and credit;
  8. not have filed for bankruptcy and not be insolvent;
  9. if a legal entity, designate at least one Authorized User;
  10. if a legal entity, designate at least two Authorized Representatives who are responsible for supervising all activities of the Participant, its Authorized User(s) and its employees relating to Transactions, for making withdrawal requests and for providing the Company with any information the Company may request regarding such Participant; *provided*, that upon request the Company may permit a legal entity applicant to designate a single Authorized Representative in the Chief Compliance Officer's sole discretion;
  11. meet any other criteria and provide the Company with any other information the Company may request regarding the Participant; and
  12. Notify the Company promptly if any information provided in in the Participant's application, or any statement, representation, warranty, or covenant made in the Participant Agreement, ceases to be true, complete, and accurate.
- B. Additionally, for any FCM Participant to have the right to access the Platform electronically, including the right to clear Orders for each of its Proprietary Accounts or Customer Accounts, the FCM Participant shall:

1. be validly organized in the United States and in good standing in its jurisdiction of organization;
2. be registered with the CFTC as an FCM and as a member of NFA;
3. ensure that its Customers for whom it is providing services in connection with the Company: (i) if they are natural persons, are U.S. Persons; and (ii) if they are entities, are validly organized and in good standing in the United States, Cayman Islands, or British Virgin Islands;
4. maintain equipment and back-office facilities staffed with experienced and competent personnel or have entered into a facilities management agreement in form and substance acceptable to the Company, in order to assure operational adequacy and proficiency with respect to the handling of Orders, Contracts, trade executions, funds, collateral, assets and other property;
5. maintain systems that enable the FCM Participant to accept or reject each trade submitted to the Company DCO for clearing by the FCM Participant as quickly as would be practicable if fully automated systems were used;
6. maintain minimum regulatory capital in excess of any applicable capital requirements imposed on applicant by the CFTC (see, e.g., CFTC Regulations 1.12 and 1.17) and any other Regulatory Agency or SRO;
7. have sufficient operational capabilities and resources to support the Platform and funds transfer requirements, including sufficient: (a) policies and procedures; (b) understanding of and support for the Contracts and transfers of funds and required collateral; (c) asset security and cyber security procedures; and (d) AML controls;



8. have sufficient ability, appropriate accounts and technical support to facilitate the clearing of Contracts, including maintenance of the requisite Collateral Accounts at all times;
  9. submit to the Company a letter confirming that the FCM will maintain all Customer Funds deposited with it in connection with trading any Contract in appropriately labeled and segregated futures account(s) and/or cleared swaps customer account(s), as required by Commission regulations (including, without limitation, CFTC Regulations 1.3, 22.1, and 22.2, and CEA sections 4d(a) and 4d(b)); or 4d(f) as applicable;
  10. if the FCM applicant seeks to facilitate trading on the Company SEF or another SEF that clears through the Company DCO, agree to confirm that each Customer trading through such SEF represents that it is an ECP;
  11. if the FCM applicant seeks to facilitate Block Trades for one or more Customers on the Company DCM, agree to confirm that each Customer executing a Block Trade represents that it is an ECP;
  12. meet any other criteria or complete any additional applications that the Company may request; and
  13. ensure that the FCM Participant, its Authorized Representatives, and its Authorized Users are not statutorily disqualified under the CEA and CFTC Regulations.
- C. Prior to becoming an FCM Participant, FCM applicants must also submit to the Company: (i) a guarantee agreement on a form prescribed by the Company defining the FCM Participant's obligation to financially guarantee the applicant's Orders and Transactions and those of the applicant's Customers, signed by the FCM Participant; and (ii) an agreement authorizing the Company to unilaterally debit any Collateral Accounts in

accordance with these Rules and Company policies and procedures, in amounts solely determined by the Company.

- D. Submission of a Participant Agreement to the Company constitutes the applicant's agreement to be bound by the Rules and the published policies of the Company.
- E. No person affiliated, within the meaning of Section 5b(c)(2)(O) of the CEA, with a director of the Company or a Participant (for purposes of this Rule, an "affiliate") shall meet criteria for refusal to register a person under Section 8a(2) of the CEA; unless the Risk Management Committee finds that there are special circumstances warranting the waiver of such disqualification with respect to the affiliate.
  - 1. With respect to affiliates, the Board shall be entitled to rely on a representation from the relevant director or Participant that, to the best of such person's knowledge, none of its affiliates is subject to disqualification pursuant to the Company's fitness standards and that such person will notify the Company if at any time such director or Participant becomes aware that any such affiliate fails to meet the fitness standards.
  - 2. Section 5b(c)(2)(O)(ii)(IV) of the CEA requires each DCO to establish Fitness Standards for persons with direct access to the settlement or clearing activities of the DCO ("Access Persons"). The only persons with such access are Participants.
- F. Applicants for Participant status of the Company may withdraw their applications at any time without prejudice or without losing their right to apply at a future time.
- G. Company staff may, in its sole discretion, approve, deny, or condition any Participant's application or status as a Participant as Company staff deems necessary or appropriate.

1. In the event that Company staff decides to decline or condition an application for admission as a Participant, or to terminate a Person's status as Participant, Company staff shall notify such Person thereof in a written notice sent to the address provided by the Person in the Participant Agreement or maintained in the Company's registry of Participants. The written notice will specify the basis for the Company's decision. Such Person may, within 28 Business Days, request in writing that the Participant Committee reconsider the determination.
  2. Within 28 Business Days of receiving a request for reconsideration, the Participant Committee shall confirm, reverse or modify the denial, condition or terminate the Participant status of such Person, and shall promptly notify such Person accordingly in writing. The Participant Committee may, in its sole discretion, schedule a hearing (in person or by teleconference), request additional information from such Person or establish any other process that it believes is necessary or appropriate to consider the request for reconsideration.
  3. The Participant Committee's decision is the final action of the Company and is not subject to appeal within the Company.
- H. Upon approval by the Company of a Participant's application, the applicant will be deemed to be a Participant, and shall continue to comply with all applicable eligibility criteria in this Rule or as the Company may require, and shall have the following privileges, which the Company may revoke, amend, or expand in accordance with, or by amending, these Rules:
1. Clearing Privileges.
  2. The privilege to clear Transactions on behalf of Customers, if approved as an FCM Participant; and
  3. [Reserved]

4. The privilege to distribute Company data to its Customers pursuant to any data distribution agreement with the Company.
- I. The Company will apply Participant access criteria in a fair and non-discriminatory manner that is not anti-competitive.

### **Rule 3.3 Participant Obligations**

- A. Each Participant and any Authorized Representatives or Authorized User(s) thereof, must comply with these Rules, the Participant Agreement, applicable provisions of the CEA and relevant CFTC Regulations. Each Participant, Authorized Representative, and any Authorized User(s) thereof also must cooperate promptly and fully with the Company, its agents, and 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 and its Customers, including their respective Authorized Representatives and/or Authorized User(s) in any referenced market that provides the underlying prices for any Company market. If any Participant or Authorized User thereof fails to satisfy any Obligation, the Company may revoke or suspend the Participant's privileges in full or in part. Each Participant also may be subject to civil or criminal prosecution.
- B. Each Participant consents to allow the Company to provide all information the Company has about the Participant, including the Participant's and Customers' trading activity, to the CFTC or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information-sharing agreements or other arrangements or procedures or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals without notice to the Participant.
- C. Each Participant consents to the Company providing information related to Know Your Customer or Anti-Money Laundering to Settlement Banks or potential Settlement Banks.

- D. Each Participant must establish and maintain cyber security policies and procedures to protect each such Participant's systems, including, but not limited to, any API.
- E. Each Participant must represent to the Company that each such Participant has established and maintains an account to hold any applicable funds and collateral and will adhere to the Company's collateral transfer procedures. Each Participant agrees to provide and accept collateral when required to do so by the Company.
- F. Each Participant, upon a request of the Company or any Regulatory Agency, must promptly respond to any requests for information, including by providing any necessary information for the Company to perform any of the functions described in the CEA, including, without limitation, information about its Customers, Authorized Representatives and Authorized Users.
- G. Transfer Trades. Participants may request permission to transfer open trades and positions pursuant to DCO Rule 11.13.
- H. Participant and Customer Recordkeeping:
  - 1. Swaps. With respect to each Contract that is a Swap (including Binary Options), each Participant and Customer must prepare, maintain, keep current and retain those books and records for the life of each Swap, including records of the instrument used as a reference price, underlying commodities and related derivatives market, for five years following the termination of such Swap, and any other books and records required by these Rules, the CEA and the CFTC's Regulations for the time period required by these Rules, the CEA and the CFTC's Regulations.
  - 2. Futures Contracts. With respect to each Contract that is a futures contract (including any option on a futures contract), each Participant and Customer must prepare, maintain, keep current and retain those books and records of the trading activity, including records of the

instrument used as a reference price, underlying commodities and related derivatives market, for five years following execution of the Contract, and any other books and records required by these Rules, the CEA and the CFTC's Regulations for the time period required by these Rules, the CEA and the CFTC's Regulations.

3. The books and records required to be kept under subparagraphs 1 and 2 above shall be readily accessible for inspection and promptly provided to the Company, its designated Self-Regulatory Organization, the CFTC, the U.S. Securities and Exchange Commission 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.
- I. Each Participant must immediately notify the Company in writing upon becoming aware:
    1. that the Participant, any of the Participant's officers or any of the Participant's Authorized Users has had trading or clearing privileges suspended, access to, or membership or clearing membership in any Regulatory Agency denied;
    2. that the Participant, any of the Participant's officers 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, or with the CFTC, as applicable;
    3. that the Participant, any of the Participant's officers or any of the Participant's Authorized Users has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court, or with the CFTC, as applicable, which involves:
      - a. embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, 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 or securities;
  - 4. that the Participant, any of the Participant's officers 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 Regulatory Agency;
  - 5. of any other material change in any information contained in the Participant's application, including any failure to continue to meet the requirements to be an Eligible Contract Participant, or any change in status as a swap dealer, major swap participant or financial entity;
  - 6. 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;
  - 7. of information that concerns any financial or business developments that may materially affect the Participant's ability to continue to comply with applicable participation requirements;
  - 8. as applicable to FCM Participants, of becoming subject to early warning reporting under CFTC Regulation 1.12; or
  - 9. as applicable to FCM Participants, of any failure to segregate or maintain adequate Customer Funds as required by the CFTC and CFTC Regulations.
- J. Each Participant must diligently supervise all activities of the Participant's employees and/or agents, including all Authorized Users and Authorized Representatives, relating to Orders, Transactions and communications with the Company. Any violation of these Rules by any employee, Authorized Representative or Authorized User of a Participant may constitute a violation of the Rules by such Participant.

- K. Each Participant must inform the Company of: (i) its LEI, if applicable, (ii) any change to its email address within 24 hours after such change; (iii) any changes to the regulatory registration information of the Participant's Authorized Users within two Settlement Bank Business Days of such change; and (iv) any changes to other information provided in the Participant's application and as required by the Participant Agreement promptly after any such change. Participants required to have LEIs must maintain an active LEI at all times.
- L. Each FCM Participant also must:
1. Comply with the financial and reporting requirements set forth by the Commission and the NFA, including the requirements contained in Commission Regulations 1.10 and 1.17.
  2. Submit to the Company a monthly Form 1-FR-FCM or a FOCUS Report and supplementary information schedule, in the form prescribed by the CFTC, including an unaudited monthly Form 1-FR-FCM or FOCUS Report as of the FCM Participant's fiscal year-end, within the time set forth in CFTC Regulation 1.10. An FCM Participant must include with its Form 1-FR-FCM or FOCUS Report a Statement of Income (Loss) for the period between the date of the most recent 1-FR-FCM or FOCUS or, at the option of the FCM Participant, the most recent certified 1-FR-FCM or FOCUS filed with the Company and the date for which the report is made.
  3. Submit to the Company a certified Form 1-FR-FCM or FOCUS Report as of the FCM Participant's fiscal year-end within the time requirements set forth in CFTC Regulation 1.10. An FCM Participant must include with its certified Form 1-FR-FCM or FOCUS Report, a reconciliation from the certified Form 1-FR-FCM or FOCUS Report to the monthly Form 1-FR-FCM or FOCUS Report as of the same date or a statement that no material differences were noted.



4. Submit to the Company reports listing the names of all banks, trust companies, FCMs, DCOs, or any other depository or custodian holding futures customer funds as of the fifteenth day of the month (or the first business day thereafter), and as of the last business day of the month, including all applicable details required by CFTC Regulation 1.32(f).
5. Require Customers to maintain and provide to the FCM Participant, and to the Company upon request, information identifying all Authorized Users who are permitted to enter orders on behalf of such Customer's Account, including, but not limited to, the individual's name, taxpayer or other identification number, affiliation to the Customer, address and contact information.
6. At all times maintain the financial resources at or in excess of the amount prescribed by the Company from time to time.
7. Utilize as appropriate identification credentials to identify the FCM in all its actions and activities in connection with the Company.
8. Maintain a Customer Account that holds Customer Funds with the Company and may maintain a Proprietary Account that holds the FCM Participant's proprietary funds with the Company DCO. The Company, however, shall have complete and absolute discretion as to whether any particular financial asset is accepted by it for credit to any such accounts. Prior to entering an Order for itself, each FCM Participant must ensure that it has sufficient funds, assets, collateral and other property to cover its collateral requirements under Rule 7.1, including sufficient funds in that amount on deposit in its Proprietary Account held by the Company. Each FCM Participant is responsible to the Company for payment of any deficiency in a Proprietary Account should such account be liquidated or terminated.

9. Maintain a separately identifiable Customer ID for each Customer, and provide such Customer ID with every Order submitted on the Platform on behalf of a Customer.
10. Maintain for each FCM Participant's Customer Account a separately identifiable position for each Customer based on the Customer ID that the FCM Participant transmits with each Order.
11. Make an initial deposit of funds in an amount determined by the FCM Participant, subject to the Company DCO requiring a greater amount, constituting the FCM Participant's residual interest therein, into a Customer Account for excess collateral with the Company DCO.
12. Perform all required KYC, Customer Identification Program, and AML activities for its Customers;
13. Use due diligence in receiving and handling Orders from Customers, submitting such Orders on the Platform on behalf of such Customers, responding to inquiries from Customers about their Orders and reporting back to Customers the execution of such Orders. Each FCM Participant is fully responsible (including financial responsibility) for all Orders, Transactions, trading and clearing activity in the FCM Participant's Proprietary Account(s) and Customer Account(s), even if the result of an error or security breach.
14. Only allow itself, FCM Customers, and in each case their Authorized Representatives and Authorized Users, to access or use the Service(s) of the Company.
15. Maintain policies and procedures acceptable to the Company that:
  - a. with respect to each Customer who is an individual, restricts the access of that individual Customer to any system through which such individual Customer submits instructions to the FCM Participant for transmission to the Company; and

- b. with respect to each Customer who is not an individual:
    - (1) ~~restricts~~ access to any system through which the Customer's Orders may be submitted to the FCM Participant for transmission to the Company to Authorized Users;
    - (2) ~~requires~~ the Customer, with respect to Swaps, to have and maintain an LEI, which shall be provided to the Company;
    - (3) ~~identifies~~ each Authorized User via authentication credentials for each Order message submitted by such Person; and
    - (4) requires the Customer to maintain, and provide to the FCM Participant, and to the Company upon request, information identifying any Authorized User who has entered Orders on behalf of such Customer's account, including but not limited to the individual's name, taxpayer or other identification number, affiliation to the Customer, address and contact information.
16. Prior to accepting any Orders from a Customer for submission to the Company:
- a. Ensure and document that the FCM Participant's Customer agrees to be subject to the Company's jurisdiction and to the Company Rulebooks, and is informed of the applicable Company Rulebooks;
  - b. Ensure that its Customer has been provided with any risk disclosures required by the Company;
  - c. Ensure that its Customer has been informed of the Company DCO's collateral requirements;
  - d. ~~Certify~~Ensure, and certify to the Company that its systems have the capacity to ensure, that ~~Customers have the FCM Participant has deposited~~ sufficient ~~funds, assets, collateral and other property on deposit in~~Customer Funds to the Company DCO's applicable Customer Account to cover the

Company DCO's collateral requirements for the trading of that Customer in accordance with Rule 7.1, which capacity shall be demonstrated to the Company's satisfaction, and should the features of that system change in any material respect, which shall be re-certified to the Company, and re-demonstrated to the Company's satisfaction; and

- e. Ensure that ~~the Customer~~ each of its Customers has sufficient funds, assets, collateral and other property with the FCM Participant to cover the Company DCO's collateral requirements under Rule 7.1, ~~including sufficient funds in with respect to~~ that amount Customer's trading. Such property may include unrealized gains (minus unrealized losses) on deposit in Contracts at the Company's applicable Customer Account Company DCO.

17. With respect to the Associated Persons or employees of that FCM Participant:

- a. Be responsible for diligently supervising its Associated Persons' or employees' compliance with all Company Rules;
- b. Maintain a complete and accurate list of all Associated Persons or employees of the FCM Participant, which list shall be promptly provided to the Company upon request;
- c. Ensure that its Associated Persons and employees comply with Company Rules;
- d. Ensure that its Associated Persons and employees are bound by Company Rules to the same extent as if such person were a Participant; and
- e. Accept responsibility for the acts and omissions of its Associated Persons and employees, and accept liability for any fines imposed upon such Associated Persons or

employees by the Company. Any violation of a Company Rule by any such Associated Persons or employee may be considered a violation by the FCM Participant.

18. Make and file reports in accordance with CFTC Regulations in a manner and form and at such times as may be prescribed by the Commission.
19. Make and file reports with the Company at such times, in such manner and form, and containing such information as the Company may prescribe from time to time.
20. Invest Customer Funds only in accordance with CFTC Regulations 22.2(e)(1) and 1.25, to the extent an FCM Participant invests Customer Funds.
21. Prepare, maintain and keep current those books and records required by the Rules of the Company, the CEA, and CFTC Regulations. Such books and records shall be open to inspection and promptly provided to the Company, its Designated Self-Regulatory Organization (“DSRO”), the Commission and/or the U.S. Department of Justice and/or the U.S. Securities and Exchange Commission, upon request.
22. Inform and make available to Customers the following information, all of which is publicly available on the Company’s Website:
  - a. The Company’s Rulebooks;
  - b. Contract Specifications; and
  - c. Participant Notices.

#### **Rule 3.4 Customer Obligations**

- A. Each Customer of an FCM Participant, and its Authorized Representative(s) and Authorized User(s), is subject to the Company’s jurisdiction, is required to adhere to all rules of the relevant FCM, and must comply with these Rules

as amended from time-to-time, applicable provisions of the CEA, and relevant CFTC Regulations.

- B. Each Customer shall enter into a written agreement with the FCM Participant authorizing the FCM Participant to act on the Customer's behalf with respect to every act and consent permitted or required by the Company Rulebooks.
- C. Each Customer shall diligently supervise all the activities of its Authorized Representative(s) and Authorized User(s), including, without limitation, activities relating to Orders, Transactions, and communications with the Company. Each Customer shall be responsible for the acts of its Authorized Representative(s) and Authorized User(s), and any violation of these Rules by such Persons may constitute a violation of the Rules by the Customer.
- D. The status of each FCM Customer, and its Authorized Representative(s) and Authorized User(s), may be limited, conditioned, restricted or terminated in the Company's discretion.
- E. Customers must adhere to all relevant Position Limits and Position Accountability Levels, including if the Customer has accounts with multiple FCMs or is also a Direct Access Participant.
- F. Each Customer, and its Authorized Representative(s) and Authorized User(s), must cooperate promptly and fully with the Company, its agents, and the CFTC in any investigation, call for information, inquiry, audit, examination, or proceeding. Upon a request of the Company or any Regulatory Agency, each Customer must promptly respond to any requests for information, including by providing any necessary information for the Company to perform any of the functions described in the CEA, including, without limitation, information about Authorized Representatives and Authorized Users. If a Customer or its Authorized Representative(s) or Authorized User(s) fails to satisfy any Obligation, the Company may revoke or suspend the applicable Company privileges in full or in part, and take such other action(s) as may be appropriate.

- G. Each Customer, and its Authorized Representatives and Authorized Users, consents to allow the Company to provide all information the Company has about them, including, without limitation, trading activity, to the CFTC or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information-sharing agreements or other arrangements or procedures or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals without prior notice.

### **Rule 3.5— Customer Account Requirements**

- A. FCM Participants must comply with the requirements set forth in Parts 1 and 22 of CFTC Regulations. This includes, but is not limited to, the following:
1. Maintaining sufficient funds at all times in its customer accounts to comply with the above referenced CFTC Regulations.
  2. Maintaining a complete list of all 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 house.
  3. Each FCM Participant, if carrying an omnibus account, shall at all times reflect in its records the gross long and short positions held in such omnibus account.
  4. Each FCM Participant that maintains an omnibus account with another FCM Participant shall also bear financial responsibility to the Company for that omnibus account.
  5. Computing, recording and reporting completely and accurately the balances in the Statement of Segregation Requirements and Funds in Segregation and the Statement of Segregation Requirements and

Cleared Swaps Customer Collateral Held in Cleared Swaps Customer Accounts.

6. Obtaining satisfactory futures account and/or cleared swaps customer account acknowledgment letters and identifying its futures account(s) and/or cleared swaps customer account(s) as such.
  7. Preparing complete and materially accurate daily segregated futures account and cleared swaps customer account computations, as applicable, in a timely manner.
- B. All FCM Participants must submit a daily segregated futures account statement and a cleared swaps customer account statement, as applicable, through Company-approved electronic transmissions by 12:00 noon on the following Settlement Bank Business Day.
  - C. For each Customer of an FCM Participant, the FCM and Company shall track the positions of that FCM's Customer within the Customer Account at the Company DCO.
  - D. [Reserved]
  - E. [Reserved]
  - F. FCM Participants must provide the Company's Compliance Department with access to Customer Account information in a form and manner prescribed by the Company.

### **Rule 3.6 Customer Funds Maintained with the Company**

- A. All Customer Funds deposited with the Company on behalf of Customers shall be held in accordance with Parts 1 and 22 of the CFTC Regulations in an account identified as a Customer Segregated Account or a Cleared Swaps Customer Account, as applicable. Such Customer Funds shall be segregated by the Company and treated as belonging to such Customers of FCM Participants. Pursuant to this rule, an FCM Participant shall satisfy the acknowledgment letter requirement of Rule 3.5A.6.



### **Rule 3.7 Dues, Fees and Expenses Payable by Participants and Customers**

- A. Participants are not required to pay dues.
- B. Participants and Customers may be charged fees in connection with Clearing Privileges in such amounts as may be revised from time to time. Fees and any revisions to such fees will be provided on the Website and in Participant Notices.
- C. Participants and Customers may be charged fees for settlement of Contracts at expiration or for storage of Digital Currencies in an amount to be reflected from time to time on the Website and in Participant Notices.
- D. The Company or a Settlement Bank may also unilaterally deduct from a Collateral Account fees or expenses incurred in connection with a Participant's or Customer's trading or account activity, and any other fees or charges in accordance with these Rules, such as attorney's fees, fees for wire transfers or check processing via electronic check, or storage or other fees or expenses related to Trading or Clearing Privileges. All such fees shall be charged in an amount to be reflected from time to time on the Website and in Participant Notices.
- E. If the Company determines in the future to impose dues or additional fees, the Company shall notify the Participants and Customers via Participant Notice of any dues or additional fees that will be imposed at least 10 days before they take effect. Participants and Customers must promptly pay all fees and expenses as specified by the Company.

### **Rule 3.8 Communications**

- A. Recording. The Company may record communications (including, without limitation, keystrokes or messages submitted by FCM Participants) and retain copies of electronic communications between or among Company Officials, Participants, Customers, and/or any of their Authorized Users, Authorized Representatives or other agents. Any such recordings may be retained by the Company in such manner and for such periods of time as

the Company may deem necessary or appropriate. Such recordings may be provided to any governmental, regulatory, or self-regulatory organization body in accordance with Applicable Law. The Company shall retain such records for the retention periods necessary to comply with CFTC Regulation 1.35 or such longer period as the Company deems appropriate.

- B. Electronic Delivery. All communications between or among the Company, Participants, Customers, and their Authorized Representatives or agents, may be transmitted by electronic mail, including (without limitation) applicable tax forms, and shall be deemed received immediately unless otherwise specified in these Rules. Participants and Customers are responsible for promptly reviewing, and if necessary, responding to all electronic communications from Company.

### **Rule 3.9 Independent Software Vendors**

- A. A person seeking to act as an Independent Software Vendor must satisfy the Company's technological integrity requirements, complete the necessary ISV application and access documentation, ~~agree to abide by these Rules and Applicable Law,~~ consent to the jurisdiction of the Company, ~~and~~ agree to not adversely affect the Company's ability to comply with Applicable Law, and agree to abide by Applicable Law and these Rules, including without limitation, audit trail and Order entry requirements with respect to Orders submitted through the connectivity provided by the ISV. Access to the Company by an ISV shall be provided pursuant to criteria that are impartial, transparent and applied in a fair and non-discriminatory manner. Persons seeking access to the Company through an ISV must themselves be Participants or Customers to have such access. ISVs shall be subject to fees as reflected from time to time on the Website and in Participant Notices.
- B. Each ISV must immediately notify the Company in writing upon becoming aware:

1. that the ISV or any of the ISV's officers 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, or with the CFTC, as applicable;
  2. that the ISV or any of the ISV's officers has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court, or with the CFTC, as applicable, which involves:
    - a. embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, 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 or securities;
  3. that the ISV or any of the ISV's officers has been subject to, or associated with a firm that was subject to, regulatory proceedings before any Regulatory Agency;
  4. of any other material change in any information contained in the ISV's application;
  5. 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; and
  6. of information that concerns any financial or business developments that may materially affect the ISV's ability to continue to comply with applicable Company requirements.
- C. Each ISV must inform the Company of: (i) any change to its email address within 24 hours after such change; and (ii) other information provided in its application for ISV status within five days after any such change.

### **Rule 3.10 Additional Account Provisions**

- A. For each Direct Access Participant, the Company DCO shall establish and maintain a Direct Access Participant Account. The Company, however, shall have complete and absolute discretion as to whether any particular financial asset is accepted by it for credit to any Direct Access Participant Account.
- B. [Reserved]
- C. With respect to any Digital Currency, including, but not limited to, Bitcoin and Ether, which is or may be credited to any Participant Account or Customer Account, the following terms and conditions shall apply:
  - 1. For purposes of creating a “security entitlement” as such term is defined in Section 8-102(a)(17) of the UCC, the Company and the Participant agree, and the Company and the Customer agree, that: (1) the Digital Currency and any Digital Currency wallet maintained by the Company shall be treated as a “financial asset” as such term is defined in Section 8-102(a)(9) of the UCC; and (2) each Participant shall be treated as an “entitlement holder” as such term is defined in Section 8-102(a)(7) of the UCC.
  - 2. Each Participant or Customer acknowledges that the Company is a “securities intermediary” as such term is defined in Section 8-102(a)(14) of the UCC.
  - 3. For each Participant, the Company undertakes to treat the Participant as entitled to exercise the rights that comprise each financial asset credited to its account. For Customer Accounts, the Company undertakes to treat each FCM Participant as entitled to exercise the rights that comprise each financial asset which is credited to a Customer Account on behalf of its Customers.
  - 4. Any Digital Currency which a Direct Access Participant or FCM Participant (for its Customer) desires be credited to such

Participant's Participant Account or Customer Account shall be transferred to a Digital Currency wallet designated by the Company and upon such transfer the Company shall indicate the credit by book entry.

- D. The Company shall have only such duties and obligations with respect to each account it carries as are set forth in Article 8 of the UCC or otherwise mandated by Applicable Law. Each Participant and each Customer acknowledges and agrees that the Company is not a fiduciary for any Participant or Customer.

### **Rule 3.11 Withdrawal of Participant**

- A. To withdraw from the Company, a Participant must notify the Company of its intent to withdraw. Such withdrawal shall be accepted immediately upon receipt of such notice by the Company and shall be effective upon such Participant's fulfillment of its obligations under paragraph (C) below and satisfaction of Rule 3.13 for FCM Participants, or at such other time as the Company may determine in its reasonable discretion is desirable for the efficient operation of the Company.
- B. When the Company accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including, without limitation, Clearing Privileges) except as set forth in paragraph (C) below. The accepted withdrawal of a Participant shall not affect the rights of the Company under these Rules or relieve the former Participant of such Participant's obligations under the Company Rules before such withdrawal. Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the Company Rules, the Obligations and the jurisdiction of the Company for acts done and omissions made while a Participant, must comply with paragraphs (C) and (D) below, must cooperate in any Disciplinary Action under Chapter 9 as if the withdrawn Participant were still a Participant, and must comply with requests for

information from the Company regarding activities and obligations while a Participant for at least five years following its withdrawal.

C. A Participant that has delivered a withdrawal notice pursuant to paragraph (A) above shall be subject to the following requirements, obligations and provisions:

1. it must use all reasonable endeavors to close out or transfer all open positions in its account(s) and each of its Customer Accounts, as applicable, within 30 days after the Participant has delivered a withdrawal notice pursuant to paragraph (A) (the “wind-down period”);
2. after delivering a withdrawal notice pursuant to paragraph (A), it shall only be entitled to submit transactions for clearing which it can demonstrate have the overall effect of reducing open positions;
3. if it has any open positions with the Company DCO (whether in its account(s) or any Customer Account) after the wind-down period, the Participant shall be subject to the Company DCO exercising rights to liquidate or transfer the open positions of the Participant.

D. Any withdrawal notice delivered by a Participant pursuant to paragraph (A) above shall be irrevocable by the Participant and membership may only be reinstated pursuant to a new application for membership following the close-out or transfer of all open Contracts in its account(s) and each of its Customer Accounts, as applicable.

### **Rule 3.12 FCM Participant Additional Obligations**

#### **A. Transaction Confirmations**

1. An FCM Participant servicing Customer Accounts shall confirm to the Customer every transaction made for the Customer no later than the following Business Day. Such confirmation shall be in electronic or written form and shall show the Contract bought or sold, the quantity

and the price, and Settlement Date (and settlement time if applicable).

**B. Restriction on or Termination of Clearing Privileges**

1. If an FCM Participant's status is revoked, or if the Company DCO determines that the financial or operational condition of a FCM Participant or one of its affiliates is such that to allow the FCM Participant to continue its operation as a FCM Participant could adversely affect the Company DCO or cleared markets (whether or not such FCM Participant continues to meet the required minimum financial requirements, if applicable), the Company DCO may:
  - a. Allow such FCM Participant (in the case of a FCM Participant handling Customer Accounts) to submit Contracts for clearing solely for any account established by a FCM Participant in which the FCM Participant maintains trades, positions and margin collateral in accordance with Rules 7.1, 7.2, 7.3, and 7.4 solely on its own behalf.
  - b. Limit or restrict the type of Contracts that may be cleared by such FCM Participant in any of its Accounts with the Company DCO;
  - c. Limit or restrict the number of Contracts that are permitted to be maintained by such FCM Participant in any of its Accounts with the Company DCO;
  - d. Decline to accept new trades or positions in Contracts for the Accounts of the FCM Participant;
  - e. Increase the FCM Participant's collateral requirements and/or require such FCM Participant to deposit the same in cash in proportions different than those that are applicable to FCM Participants generally;

- f. Allow such FCM Participant to submit Contracts for liquidation only;
- g. Prohibit such FCM Participant from withdrawing excess collateral;
- h. Cause open Contracts to be transferred to another FCM Participant;
- i. Cause open Contracts to be settled in cash or liquidated;
- j. Impose such additional capital, margin collateral, financial reporting or other requirements as the Company DCO shall deem appropriate for the protection of the Company DCO and its Participants;
- k. Terminate the FCM Participant's status as a Participant of the Company DCO; or
- l. Take any other actions it deems proper or in the best interest of the Company DCO or its Participants.

C. All FCM Participants must provide immediate written notice to the Compliance Department when an FCM Participant knows or should have known of:

- 1. A failure to maintain sufficient ~~funds~~[Customer Funds](#) in [its customer accounts or the DCO's applicable](#) Customer Accounts to comply with applicable CFTC Regulations;
- 2. Any reduction in adjusted net capital of 20 percent or more as reported on its Form 1-FR-FCM or net capital as reported on its FOCUS Report from the most recent filing of such report;
- 3. Any failure of the FCM Participant to remain in compliance with the minimum capital or "early warning" requirements of any Regulatory Agency, Self-Regulatory Organization, or the Company;



4. 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;
5. Any planned material 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 Company 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;
6. Any change in the FCM Participant's fiscal year or its public accountants;
7. If any Person directly or indirectly becomes a 5% direct owner of the FCM Participant;
8. 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
9. Any material external audit findings (including reviews by the FCM Participant's designated Self-Regulatory Organization).

D. All FCM Participants must provide at least thirty days prior written notice (unless it is impractical to do so, in which case it shall provide written notice as promptly as possible), to the Compliance Department when an FCM Participant knows or should have known of:

1. 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;
2. 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;
3. The sale of all or a significant portion of the FCM Participant's business or assets to another Person;
4. A change in the direct or indirect beneficial ownership of 20% or more of the FCM Participant;
5. Any change in the FCM Participant's systems provider or facilities manager used by the FCM Participant to process transactions in Contracts; or
6. Any planned changes to the FCM Participant's risk management processes or systems.

E. Company staff may prescribe additional Customer Account requirements.

F. **Disaster Recovery & Business Continuity Planning**

1. Each FCM Participant shall 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:

- a. The FCM Participant 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. The FCM Participant 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; and
  - b. The FCM Participant must maintain and, at the request of the Company, provide accurate and complete information for its key personnel. An FCM Participant must inform the Company in a timely manner whenever a change to its key personnel is made.
- 2. 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 Company or the Company DCM also participates.

### **Rule 3.13 Withdrawal of FCM Participant**

Notwithstanding any other provision of the Rules, an FCM Participant that has delivered an FCM Participant Withdrawal Notice, or whose status as a clearing member has been terminated by the Company DCO, shall be subject to the following requirements, obligations and provisions:

- A. An FCM Participant must use all reasonable endeavors to close out or transfer all open positions in its Proprietary Account(s) and Customer Account(s) prior to the FCM Participant Withdrawal Close-Out Deadline Date;
- B. After the FCM Withdrawal Notice Date, it shall only be entitled to submit transactions for clearing which it can demonstrate have the overall effect of

reducing open positions or risks to the Company DCO, whether by hedging, transferring, terminating, liquidating or otherwise closing out Contracts;

- C. The Company DCO may call for additional collateral until such time as all such open positions have been terminated, transferred, or otherwise addressed in these Rules, and such FCM Participant shall provide to the Company DCO such additional collateral as is requested in a timely manner;
- D. As of the FCM Participant Withdrawal Close-Out Deadline Date, the Company may, within its discretion, accelerate all Obligations owed by the FCM Participant or its Customers to the Company, and close out all open Contracts.
- E. From the FCM Participant Withdrawal Close-Out Deadline Date until such time as the FCM Participant and its Customers have no open positions held by the Company DCO or other financial obligations to the Company, the FCM Participant shall remain:
  - 1. liable for further Obligations in the same way as any other clearing member in respect of any Default occurring prior to the date such open positions and other financial obligations to the Company are resolved;
  - 2. be subject to the Company exercising rights to liquidate or transfer the open positions of the FCM Participant and its Customers, and otherwise deal with the Contracts and property of the FCM Participant and its Customers in the same way as if the FCM Participant or its Customers were in Default of their Obligations; and
  - 3. remain subject to all other remedies that would otherwise be exercisable by the Company prior to service of a FCM Participant Withdrawal Notice.
- F. Within sixty (60) days after a withdrawing FCM Participant and its Customers have terminated all open positions to which either of them was

a party, and the Company DCO has determined that each of them has satisfied all Obligations in respect thereof in full, the Company DCO shall return the unused collateral and other deposits in their respective accounts; provided, however, that with respect to withdrawing FCM Participant Proprietary Account(s), the Company DCO may retain those funds until such time as it determines that any other financial obligations of the FCM Participant to the Company are satisfied.

#### **Rule 3.14 Affiliate Clearing Participants**

The Company may permit one or more Affiliates to hold Clearing Privileges with the Company DCO, subject to the following provisions:

- A. Affiliates will not have access to the Company's material non-public information, as defined in CFTC Regulations 1.59(a)(5) and (6); provided, however, a common director of the Company and the Affiliate, if any, may share information consistent with CFTC Regulation 1.59(d);
- B. Affiliates will not receive preferential treatment in any respect, including with respect to the Company disciplinary processes or pricing;
- C. Affiliates will be subject to the same access criteria and must abide by the same Rules as all other Participants; and
- D. Affiliates will maintain offices and information technology systems separate from the Company.

## **CHAPTER 4 Liquidity Providers**

### **Rule 4.1 Application and Agreement**

- A. Only Participants in good standing may become Liquidity Providers on the Company.
- B. To be considered for Liquidity Provider status, a Participant shall complete and execute a Liquidity Provider Agreement.
- C. The designation of any Liquidity Provider may be suspended, terminated or restricted by the Company at any time and for any reason.

### **Rule 4.2 Appointment**

- A. The Company may appoint one or more Liquidity Providers for certain of the Company's Contracts.
- B. In making such appointments, the Company shall consider:
  - 1. the financial resources available to the applicant;
  - 2. the applicant's trading activity in relevant swaps, futures, options on futures or related cash markets; and
  - 3. the applicant's business reputation and experience in market making in options and other derivative products.
- C. The Company, in its sole discretion, may appoint a Participant as a Liquidity Provider for certain Series and may appoint multiple Liquidity Providers for certain Series.
- D. No appointment of a Liquidity Provider shall be made without the Liquidity Provider's consent to such appointment.
- E. The Company shall periodically conduct an evaluation of all Liquidity Providers to determine whether they have fulfilled performance standards relating to, among other things, quality of the markets; trading activity; competitive market making; observance of ethical standards; business

reputation; and administrative and financial soundness. If the Liquidity Provider fails to meet minimum performance standards, the Company may, among other actions, suspend, terminate or restrict the Liquidity Provider's appointment.

#### **Rule 4.3 Benefits**

Liquidity Providers may receive reduced trading fees or other incentives in accordance with any Liquidity Provider program in place at the Company for fulfilling the Obligations of a Liquidity Provider as disclosed in the applicable Liquidity Provider Agreement.

#### **Rule 4.4 Obligations**

Transactions of Liquidity Providers should constitute a course of dealing reasonably calculated to contribute to the maintenance of a fair and orderly market, and Liquidity Providers shall not enter Orders or enter into Transactions that are inconsistent with such a course of dealing. Ordinarily, Liquidity Providers shall be obligated to do the following:

- A. comply with all other terms of the applicable Liquidity Provider Agreement; and
- B. make good-faith efforts to enter on the Platform current binding bid and offer quotes, with a bid/offer spread as specified in the applicable Liquidity Provider Agreement, as necessary to ensure liquidity.

## CHAPTER 5 [Reserved]



## CHAPTER 6 Clearing and Delivery

### Rule 6.1 Clearance and Substitution

- A. Upon submission of an Order, the Company will conduct a review of the Participant's Collateral Account to ensure that the Participant [\(on behalf of itself or its Customers, as applicable\)](#) can fully collateralize the Order prior to entering into any Transaction. If the Participant's Collateral Account does not have the necessary funds and/or collateral for the Order, the Company DCM will not accept the Order.
- B. Upon the successful matching of Orders, the Company's DCO shall immediately, through the process of Novation, be substituted as and assume the position of seller to the Participant buying and buyer to the Participant selling the relevant Contract. Upon such substitution, the buying and selling Participants shall be released from their Obligations to each other, and such Participants shall be deemed to have bought the Contract from or sold the Contract to the Company's DCO, as the case may be, and the Company's DCO shall have all the rights and be subject to all the liabilities of such Participants with respect to such Transactions. Such substitution shall be effective in law for all purposes. The buying and selling Participants of the Contract are deemed to consent to the Novation by entering the applicable Orders on the Company Platform and the Company DCO consents to the Novation by accepting the Orders on the Company Platform.
- C. Contracts with the same terms and conditions, as defined by the Contract Specifications, submitted to the Company's DCO for clearing, are economically equivalent within the Company's DCO and may be offset with each other within the Company's DCO.
- D. Upon acceptance of a Contract by the Company's DCO for clearing:
  - 1. The original Contract is extinguished;

2. The original Contract is replaced by an equal and opposite Contract between the Company's DCO and each Participant; and
  3. All terms of a cleared Contract must conform to the Contract Specifications.
- E. Where an FCM Participant acts to clear a Contract made for the account of a Customer, the FCM Participant becomes obligated to the Company DCO, and the Company DCO becomes obligated to the FCM Participant, 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 Participant.
- F. If a Contract is rejected for clearing by the Company's DCO for any reason, such Contract is void *ab initio*.
- G. A written record of all of the terms of each Transaction accepted for clearing will be available immediately through the Participant Portal. Such record shall legally supersede any previous agreement and serve as a confirmation of each such Transaction. The Company will send confirmation messages to Participants upon execution of a Transaction via the API and/or Portal, if such Participants are online at the time. However, please note that if any applicable Participant is not online at the time of execution, such Participant will see the confirmation(s) when it next logs on to the Platform.
- H. Any failure to deposit and maintain USD funds or collateral in accordance with the Rules of the Company, or to withdraw USD funds or collateral as required by the Company, may be deemed a Default of an Obligation and an act detrimental to the interest or welfare of the Company.

## **Rule 6.2 Settlement of Contracts**

- A. The Company shall maintain, on its system, a record of each Participant's account balances and Contracts.
- B. On the Settlement Date, the Company will notify all Participants of any final amount payable (if applicable).
- C. [Reserved]

- D. [Reserved]
- E. After the notice period on the last trading day of an expiring Series of Contracts that are options (excluding Binary Options), the Company will cancel all such Contracts that have not been exercised from each Participant's account. A Contract that is an option (excluding Binary Options) and that has not been exercised on or before the last trading day will expire with no value in accordance with the Contract Specifications.
- F. To the extent a Participant or Customer enters into a Transaction closing an open position, or holds a position until the expiration of a Contract, the Settlement of that Transaction or Contract is not complete until the Company has transferred the resulting funds, if any, into the applicable Collateral Account, and any resulting gains (or losses) are unrealized until that transfer is complete.

### **Rule 6.3 Deposit Procedures**

- A. A Participant must submit a deposit notification through the Participant Portal before the Participant may deposit USD funds with the Company. A Participant must deposit USD funds on the same day as the Participant submits to the Company a deposit notification to the Company.
- B. Approved deposits are available for use with respect to trading on a SEF or DCM that clears through the Company DCO and with respect to Clearing Privileges, no later than the next Settlement Bank Business Day after a Participant submits a deposit notification and deposits USD funds with the Company in accordance with Rule 6.3A.
- C. Participants are responsible for all deposits to the Collateral Account.
- D. In the event a Participant deposits USD funds to the Company without submitting a deposit notification, the Participant agrees to: (1) cooperate with the Company to resolve any issues that may arise; and (2) agree that the Company will send the USD funds back to the account or address from which it was transferred promptly if there has been no resolution.

## **Rule 6.4 Withdrawal Procedures**

- A. Only a Participant, or its Authorized Representative(s) or its Authorized User(s), may submit a withdrawal notification through the Participant Portal before the Company transfers funds or Underlying to a Participant or a Customer. Upon receipt of a withdrawal notification, the Company no longer permits funds or Underlying in the amount listed in the withdrawal notification to be used for Clearing Privileges.
- B. Participants, or their Authorized Representative(s) or Authorized User(s), are responsible for providing accurate account numbers or wallet addresses, as the case may be, to allow the Company to effect transfers to the Participants or Customers.
- C. Withdrawals occur, and funds and Underlying are available, promptly after a Participant, or their Authorized Representative(s) or Authorized User(s), has submitted a withdrawal notification if the withdrawal notification is submitted during Trading Hours.
- D. With respect to withdrawals of Digital Currency collateral, the Company shall deliver to the Participant, or its Authorized Representative(s) or Authorized User(s), a cryptographically signed Digital Currency transaction, which shall include the two signatures, the Company “from” address, the “to” address and the appropriate Digital Currency withdrawal amount.
- E. If a Participant, or its Authorized Representative(s) or Authorized User(s), fails to adhere to the withdrawal procedures set forth herein or in the Contract Specifications, as applicable, the Company will take reasonable measures to effect the withdrawal; however, if unable to effect the withdrawal, the relevant collateral may become the sole property of the Company, to the extent permitted by Applicable Law. The Company may apply the collateral (including any Underlying held in such Participant’s Participant Account or Customer Account) against the Participant’s Obligations.

- F. An FCM Participant may not permit the withdrawal of funds or collateral from a Customer Account if such withdrawal will result in the account having less than the margin required under Rule 7.1.

#### **Rule 6.5 [Reserved]**

#### **Rule 6.6 Reconciliation**

- A. The Company shall reconcile the positions and cash and collateral balances in the accounts of each Participant, and in the Customer Account for each FCM Participant, at the end of each Settlement Bank Business Day. The Company shall make available to each Participant ~~and Customer the~~those positions and cash and collateral balances ~~of each such Participant or Customer~~. All Participants shall be responsible for reconciling their records of their proprietary and Customer positions and cash and collateral balances with the ~~records of positions and cash and collateral~~ balances ~~that reported by~~ the Company ~~makes available~~.
- B. Each FCM Participant shall maintain an adequate accounting system, internal accounting controls, and procedures for safeguarding Customer and FCM Participant assets, where applicable. This includes, but is not limited to, the following:
1. Preparation and maintenance of complete and accurate reconciliations for all accounts; and
  2. Resolution of reconciling items in a timely manner.

#### **Rule 6.7 Swap Data Reporting**

- A. The Company shall report, as required, Regulatory Swap Data for Swaps to a single Swap Data Repository for purposes of complying with the CEA and applicable CFTC Regulations governing the regulatory reporting of swaps. The Company shall report all data fields as required by Appendix A to Part 43 of CFTC Regulations and Appendix 1 to Part 45 of CFTC Regulations, as applicable, including, but not limited to, Swap counterparties, Contract type, option method, option premium, LEIs, User

IDs, buyer, seller, UTIs, unique product identifiers, underlying asset description, the Swap price or yield, quantity, maturity or expiration date, the size, settlement method, execution timestamp, timestamp of submission to the SDR, the CTI Code, Participant Accounts, and whether a Participant is a swap dealer, major swap participant or a financial entity. The Company shall identify each counterparty to any Transaction in all recordkeeping and all Regulatory Swap Data reporting using a single LEI as prescribed under CFTC Regulation 45.6. As soon as technologically practicable after execution, the Company also shall transmit to both Swap counterparties the UTI for the Swap created pursuant to CFTC Regulation 45.5 and the identity of the SDR. For Swaps involving allocation, the Company will transmit the UTI to the Reporting Counterparty and the agent as required by CFTC Regulation 45.5(d)(1).

- B. The Company shall from time to time designate a Swap Data Repository in respect of one or more Swaps and shall notify Participants of such designation.
- C. Participants that become aware of an error or omission in Regulatory Swap Data for a Transaction shall promptly submit corrected data to the Company. Participant shall not submit or agree to submit a cancellation or correction in order to gain or extend a delay in public dissemination of accurate Swap Transaction and Pricing Data or to otherwise evade the reporting requirements of Part 43 of CFTC Regulations. The Company will report any errors or omissions in Regulatory Swap Data to the same SDR to which it originally submitted the Data, as soon as technologically practicable after discovery of any such error or omission.
- D. The Company sends the Regulatory Swap Data as set forth in Rule 6.7A to the Swap Data Repository in accordance with CFTC Regulations, or pursuant to the Company Rules. Following the transmittal of the Data to the Swap Data Repository, the Company will make available the Swap Transaction and Pricing Data to all Participants and Customers, accessing

the Platform. However, due to transmission and posting timing of the Swap Data Repository, Participants should be aware that the Swap Transaction and Pricing Data may be available on the Company Platform prior to being publicly disseminated by the Swap Data Repository.

## CHAPTER 7 Margin

### Rule 7.1 Full Collateralization of Contracts Required

Each Participant, on behalf of itself ~~or~~and its Customers, shall deposit and maintain with Company DCO the USD funds required to fully collateralize Orders pursuant to Contract Specifications, including payment of premiums and payment of settlement obligations, as applicable, prior to submission of such Orders to the Company. Collateral transfers made by a Participant (on behalf of itself or its ~~Customer~~Customers) to the Company DCO or by the Company DCO to a Participant are irrevocable and unconditional when effected. A Participant (on behalf of itself ~~or~~and its ~~Customer~~Customers) shall, at all times, maintain with the Company DCO sufficient USD funds necessary to fully collateralize each open position in a Contract.

### Rule 7.2 Collateral

- A. Subject to the terms and conditions of Company-approved margin collateral, the Company will accept from Participants the following as margin collateral: (1) cash; and (2) any other form of collateral deemed acceptable by the Risk Management Committee upon the Risk Management Committee's approval of such collateral as communicated through Participant Notices and on the Website. The Company will value margin collateral as it deems appropriate.
- B. Except as otherwise provided herein, Collateral must be and remain unencumbered. Each Participant or Customer posting collateral hereby grants to the Company a continuing first priority security interest in, lien on, right of setoff against and collateral assignment of all of such Participant's or Customer's right, title and interest in and to any property and collateral deposited with the Company by the Participant or Customer, whether now owned or existing or hereafter acquired or arising, including without limitation the following: (i) such Participant's Participant Account, or Customer's Customer Account, and all securities entitlements held therein and all funds held in a Collateral Account; (ii) all Digital Currencies that, in each case, are held in or otherwise credited to a virtual "wallet" or other



account maintained by the Company; (iii) such virtual “wallet” or other account; and (iv) all proceeds of the foregoing. A Participant or Customer shall execute any documents required by the Company to create, perfect and enforce such lien.

- C. Each Participant and Customer hereby agrees that, with respect to any Digital Currency and any other financial asset which is or may be credited to the Participant’s Participant Account or Customer’s Customer Account, the Company shall have control pursuant to Section 9-106(a) and 8-106(e) of the UCC and a perfected security interest pursuant to Section 9-314(a) of the UCC.
- D. A Participant must transfer the collateral to the Company or to a Collateral Account and the Company will hold collateral transferred to the Company on behalf of the Participant. The Company will credit to the appropriate account the collateral that such Participant deposits. Collateral shall be held by the Company until a Participant submits a withdrawal notification unless otherwise stipulated by these Rules.
- E. The Company will not be responsible for any diminution in value of collateral deposited with the Company, whether for a Participant or a Customer. Any fluctuation in markets is the risk of each Participant and Customer. Any interest earned on such collateral may be retained by the Settlement Bank or the Company.
- F. The Company has the right to liquidate or close out any Participant’s or Customer’s open Contracts or non-cash collateral without prior notice to the extent the Company deems necessary, in its sole and absolute discretion, for the following purposes: (1) to fulfill otherwise unsatisfied obligations of the Participant or Customer to the Company or to other Participants or Customers; (2) to return funds to the Participant or Customer; (3) if the Person ceases to be a Participant or Customer of a Participant; (4) if the Company suspends or terminates the Participant’s Clearing Privileges; (5) if the Participant’s or Customer’s open position in any Contract becomes

insufficiently collateralized; or (56) if the Company determines that it is necessary to take such measures.

- G. Without limitation of the Company's other rights to use a Participant's collateral as permitted in these Rules, under Applicable Law or otherwise, the Company may invest any cash deposited as collateral in accordance with CFTC Regulations 1.25 and 39.15(e), and any interest, capital gain or other income earned on such investments shall belong and be credited to the Company; provided, however, that, to the extent the Company's Order of Registration as a derivatives clearing organization requires that cleared products be fully collateralized, the Company may only invest Participant cash required for such full collateralization in interest bearing U.S. bank accounts where the funds can be accessed by the Company on demand.
- H. Each Participant and Customer acknowledges that any transfer of Digital Currency is immediately irreversible once effectuated. Participants and Customers are solely responsible for designating the correct destination for Digital Currency.

### **Rule 7.3 Segregation of Participant Funds**

- A. The Company shall separately account for and segregate from the Company's proprietary funds all Participant funds used to purchase, margin, guarantee, secure or settle Contracts cleared by the Company, and all money accruing to such Participant as the result of Contracts so carried in a Collateral Account. The Company shall maintain a Direct Access Participant Account or Proprietary Account, as applicable, that will be credited with fees or other payments owed to the Company that are debited from the Collateral Account as a result of Participant trades and settlements of Contracts cleared by the Company or storage of Digital Currencies. The Company shall maintain a record of each Participant's account balances and Contracts. The Company shall not hold, use or dispose of Participant funds except as belonging to Participants.

- B. For FCM Participants, all Customer Funds deposited by an FCM Participant with the Company on behalf of Customers shall be held in accordance with the CEA and CFTC Regulation 1.20 and CFTC Regulation 22.5, as applicable, in an account identified as “Customer Segregated.” The Company shall comply with the applicable segregation requirements of Section 4d of the CEA and CFTC Regulations with respect to Customer Funds held by the Company. Such Customer Funds shall be segregated by the Company and treated as belonging to the Customers of the FCM Participant. Pursuant to this Rule 7.3B, an FCM Participant shall satisfy the segregation acknowledgment letter requirements of the CEA and CFTC Regulations 1.20 and 22.5, as applicable, for Customer deposits held at the Company. The Company will, upon request by a Customer, promptly transfer, from the Customer Account of one FCM Participant to the Customer Account of another FCM Participant, all or a portion of such Customer’s Contracts, in accordance with Rule 3.11.

#### **Rule 7.4 Concentration Limits**

The Company may apply appropriate limitations or charges on the concentration of assets posted as collateral, as necessary, in order to ensure its ability to liquidate such assets quickly with minimal adverse price effects, and may evaluate the appropriateness of any such concentration limits or charges, on a periodic basis. In the event that the Company determines in its sole discretion that the Participant’s deposit is in material excess of the amount necessary to collateralize the Participant’s Contracts, the Company shall have the right to (1) transfer non-cash collateral, including Digital Currencies, back to a Participant, and Participant agrees to accept such transfer, or (2) take other action the Company deems to be necessary to safeguard the collateral. The Company shall be entitled to charge fees related to holding non-cash collateral in material excess of the amount necessary to collateralize a Participant’s Contracts.

## **CHAPTER 8 Business Conduct and Trading Practices**

### **Rule 8.1 Scope**

This Chapter 8 applies to all Transactions except as may be provided herein. Participants, Customers, and, where applicable, Authorized Users, shall adhere to and comply fully with this Chapter 8.

### **Rule 8.2 [Reserved]**

### **Rule 8.3 [Reserved]**

### **Rule 8.4 [Reserved]**

### **Rule 8.5 Acts Detrimental to the Welfare or Reputation of the Company Prohibited**

No Participant, Customer, Authorized Representative, Authorized User or ISV shall engage in any Company activity that tends to impair the welfare, reputation, integrity or good name of the Company.

### **Rule 8.6 Misuse of the Platform**

Misuse of the Platform is strictly prohibited. It shall be deemed an act detrimental to the Company to permit unauthorized use of the Platform, to assist any Person in obtaining unauthorized access to the Platform, to trade on the Platform without an agreement, to alter the equipment associated with the Platform (except with the Company's consent), to interfere with the operation of the Platform, to intercept or interfere with information provided thereby, or in any way to use the Platform in a manner contrary to these Rules.

### **Rule 8.7 Supervision; Information Sharing**

- A. Participants and Customers shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that Authorized Users comply with these Rules and Applicable Law, and such Participant or Customer may be held accountable for the actions of such Authorized Users with respect to the Company.
- B. Participants, Customers, and Authorized Users shall cooperate fully with the Company or a Regulatory Agency in any investigation, call for information, inquiry, audit, examination or proceeding.

- C. Participants, Customers, and Authorized Users shall ensure that any information disclosed to the Company is accurate, complete and consistent. No existing or prospective Participant, Customer or Authorized User shall make any false statements or misrepresentations in any application, report or other communication to the Company.
- D. Participants, Customers, Authorized Users, and Authorized Representatives authorize the Company to make available to any governmental, regulatory, or self-regulatory body any information the Company may have concerning such Person without prior notice and release the Company from any and all liability for furnishing such information.

#### **Rule 8.8 Business Conduct**

- A. Conducting clearing activities in an honorable and principled manner consistent with these Rules is the essence of ethical conduct with respect to the Company DCM. Participants, Customers, Authorized Users and other Persons subject to the Company's jurisdiction shall act with ethical integrity with regard to their Company activity, and shall adhere to the following ethical standards:
  - 1. A Participant, Customer, Authorized User and any other Person subject to the Company's jurisdiction shall abstain from engaging in conduct that is a violation of these Rules or Applicable Law, and will conduct its business in accordance with Applicable Law, and in good faith, with a commitment to honest dealing.
  - 2. No Participant, Customer, Authorized User or other Person subject to the Company's jurisdiction shall engage in any fraudulent act or engage in any scheme to defraud, deceive, trick or mislead in connection with or related to any Company activity.
  - 3. [Reserved]

**Rule 8.9 [Reserved]**

**Rule 8.10 [Reserved]**

**Rule 8.11 [Reserved]**

**Rule 8.12 [Reserved]**

**Rule 8.13 [Reserved]**

**Rule 8.14 [Reserved]**

**Rule 8.15 [Reserved]**

**Rule 8.16 [Reserved]**

**Rule 8.17 [Reserved]**

**Rule 8.18 [Reserved]**

**Rule 8.19 Compliance**

Each legal entity Participant and legal entity Customer shall have a compliance program commensurate with the size and scope of its clearing activities on the Company DCO and designed to ensure appropriate, timely and ongoing review of trading practices and compliance with the Rules. Each Participant and Customer (if applicable) shall act in accordance with these practices for compliance and monitoring with regard to its activity:

- A. Provide for proper training of personnel on the provisions of the Rules;
- B. Maintain internal policies and procedures to promote compliance with the Rules;
- C. Promptly disclose to the Company DCM or DCO, as appropriate, the details of any violations of the Rules involving a Participant's or Customer's activities, including its own activities or those of another Participant or Customer, and a Participant or Customer shall promptly disclose to the Company DCM or DCO, as appropriate, the details of any disciplinary sanctions, fines or other related determinations made by a Regulatory Agency or another market on which such Participant or Customer trades;

- D. Provide an environment that encourages employees to engage in safe and confidential discussions and to disclose to senior management any trading practices that might violate the Rules;
- E. Require any consultant, contractor and subcontractor to disclose all financial affiliations and conflicts of interest. Ensure that consultants, contractors or subcontractors do not cause any disclosure of information in violation of the Rules, including this code of conduct, and that confidentiality agreements are in effect where appropriate; and
- F. Establish clear lines of accountability for trading practices, including provisions relating to the responsibilities of corporate officers, with appropriate oversight by the board of directors or other senior corporate management committee.

## **CHAPTER 9 Discipline and Enforcement**

### **Rule 9.1 General**

#### **A. Market Monitoring**

1. The Company shall record and store a record of all data entered into the Platform that is provided to the Company DCO, including the Participant's, the Customer's or Authorized User's identity, as applicable, information on Transactions and any other information required and in accordance with the Company's policies.
2. [Reserved]
3. The Compliance Department will conduct investigations when Compliance Department staff at any time has reason to believe that inappropriate activity of any sort is taking place on the Company DCO, Platform or Website.

#### **B. All Persons within the Company's jurisdiction, including Customers, are subject to this Chapter 9 if they are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule or any provision of Applicable Law for which the Company possesses disciplinary jurisdiction.**

#### **C. Compliance Department**

1. The Company has a Compliance Department consisting of one or more compliance staff. The Chief Compliance Officer is responsible for overseeing the Compliance Department and shall report to the Regulatory Oversight Committee, the Board, and the CEO.
2. The Compliance Department shall investigate activity that the Compliance Department has reasonable cause to believe could constitute a violation of these Rules, and shall enforce the Rules and prosecute possible Rule violations within the Company's disciplinary jurisdiction.



3. The Compliance Department shall conduct at least annual reviews of all Participants to verify compliance with Company Rules. The Compliance Department may conduct periodic reviews of all persons and firms subject to the Company's Rules to verify compliance with the Company Rules. Such reviews may include, but are not limited to, reviews of randomly selected samples of audit trail data, reviews of the process by which User ID records are maintained, reviews of usage patterns associated with User IDs, and reviews of account numbers and Customer Type Indicator codes.
- D. The Company, through the Compliance Department, Disciplinary Panel and Appeals Committee, shall 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 9. Any Person subject to the Company's jurisdiction under Rule 3.1 is subject to the Company's disciplinary authority set forth in this Chapter 9.
  - E. The Company, through the Compliance Department, will commence an investigation upon (i) the discovery or receipt of information that indicates a reasonable basis for finding that a violation may have occurred or will occur, or (ii) the receipt of a request from Commission staff.
  - F. No Company Official shall interfere with or attempt to influence the process or resolution of any Disciplinary Action, except to the extent provided under these Rules with respect to a proceeding in which a Person is a member of the relevant Disciplinary Panel or Appeals Committee.
  - G. Representation by Counsel
    1. All parties and witnesses to a disciplinary action have the right to retain and be represented by legal counsel or any other representation of their choosing, except any Director or a member of the Disciplinary Panel or person substantially related to the

underlying investigations, such as material witnesses or respondents during such proceedings.

2. In the event of any appeal that requires the Company to retain legal counsel, the Respondent shall be responsible for the reasonable attorney's fees incurred by the Company if the Respondent does not prevail in the dispute.

H. The Company may hold a Participant or Customer liable for, and impose sanctions against such Participant or Customer, for such Participant's or Customer's own acts and omissions that constitute a violation as well as for the acts and omissions of each Authorized User, Authorized Representative or other Person using a User ID of such Participant or Customer, or other agent or representative of such Participant or Customer, in each case, that constitute a violation as if such violation were that of the Participant or Customer.

I. Ex Parte Communications

1. A Respondent (and any counsel or representative of such Respondent) and the Compliance Department (and any counsel or representative of the Compliance Department) shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any member of the Disciplinary Panel or the Appeals Committee that hears such proceeding.
2. Members of a Disciplinary Panel or Appeals Committee shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any Respondent (and any counsel or representative of such Respondent) or the Compliance Department (and any counsel or representative of the Compliance Department).

3. Any Person who receives, makes or learns of any communication that is prohibited by this Rule 9.11 shall promptly give notice of such communication and any response thereto to the Compliance Department and all parties to the proceeding to which the communication relates.
  4. A Person shall not be deemed to have violated this Rule 9.11 if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent that the communication concerns the merits.
- J. Information and documents obtained during the course of an inquiry or investigation shall be treated as non-public and confidential and shall not be disclosed by any party, except as necessary to further a Company investigation or as required by law.

## **Rule 9.2 Investigations**

- A. The Compliance Department will endeavor to complete any investigation within 12 months of the time a potential Rule violation is suspected, unless there exists significant reason to extend the investigation beyond such period. Upon the conclusion of any investigation, the Compliance Department shall draft a report detailing the facts that led to the opening of the investigation, the facts that were found during the investigation, and the Compliance Department's analysis and conclusion. Such internal report shall be maintained in accordance with Rule 2.14.
- B. The Compliance Department has the authority to:
1. initiate and conduct inquiries and investigations;
  2. examine books and records of any Person subject to the Company's jurisdiction under Rule 3.1;
  3. prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;
  4. issue a Notice of Charges to a Respondent;

5. prosecute alleged violations within the Company's disciplinary jurisdiction; and
  6. represent the Company on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.
- C. Each Person subject to the jurisdiction of the Company:
1. is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Compliance Department in connection with:
    - a. any Rule;
    - b. any inquiry or investigation; or
    - c. any preparation by and presentation during a Disciplinary Action;
  2. is obligated to produce books, records, papers, documents or other tangible evidence in its possession, custody or control within the time period required by the Compliance Department in connection with:
    - a. any Rule;
    - b. any inquiry or investigation; or
    - c. any preparation by and presentation during a Disciplinary Action; and
  3. may not impede or delay any Disciplinary Action.

### **Rule 9.3 Disciplinary Panel**

- A. If the Respondent disputes the Compliance Department's findings with respect to a Disciplinary Action, the Company shall convene a Disciplinary Panel to adjudicate the findings by the Compliance Department that are under dispute. The Chief Compliance Officer or an individual designated by

the Chief Compliance Officer may be appointed to argue the matter on behalf of the Company.

1. Members of the Disciplinary Panel shall be individuals that do not have a direct interest (financial, personal or otherwise) in the matter, but in no event may be members of the Compliance Department or any Persons involved in adjudicating any other stage of the same proceeding.
  2. In the event that members of the Disciplinary Panel do not satisfy the requirements of this Rule 9.3A.2, then the Regulatory Oversight Committee may substitute a new member for the Disciplinary Panel or act as the Disciplinary Panel, to the extent that the substituted member or the Regulatory Oversight Committee, as the case may be, does not have a direct interest (financial, personal or otherwise) in the matter.
- B. Members of the Disciplinary Panel and the Compliance Department may not communicate regarding the merits of a matter brought before the Disciplinary Panel without informing the Respondent who is the subject of the communication of the substance of such communication and allowing the Respondent an opportunity to respond. The Compliance Department may compel testimony, subpoena documents, and require statements under oath from any Respondent or, to the extent the Respondent is a Participant, any of its Authorized Users, Authorized Representatives or other employees or agents.
- C. The Compliance Department and other Company Representatives working under the supervision of the Compliance Department may not operate under the direction or control of any Participant, Customer, Authorized User, Authorized Representative or any other representative of a Participant or Customer, or trade, directly or indirectly, in any commodity interest traded on or subject to the rules of any Designated Contract Market or Swap Execution Facility.

## **Rule 9.4 Notice of Charges**

- A. If the Compliance Department determines that there is reasonable cause to believe that a Respondent has violated these Rules or Applicable Law, the Compliance Department shall issue a Notice of Charges to a Respondent by electronic mail. If the Respondent fails to acknowledge receipt of the electronic mail, the Compliance Department shall also notify the Respondent via the U.S. Postal Service to that Respondent's last known address. The Notice of Charges shall include:
1. the reason the investigation was initiated;
  2. the Rule or Rules alleged to have been violated;
  3. the Respondent's response, if any, or a summary of the response;
  4. a summary of the investigation conducted;
  5. findings of fact and the Compliance Department's conclusions as to each charge, including which of these Rules the Respondent violated, if any;
  6. a summary of the Respondent's, and any relevant Authorized User's or Authorized Representative's, disciplinary history, if any;
  7. the penalty, if any, proposed by the Compliance Department; and
  8. the Respondent's right to a hearing.
- B. If the Compliance Department institutes an investigation of any Affiliate of the Company, the Chief Compliance Officer shall notify the Commission's Division of Market Oversight or the Division of Clearing and Risk, as appropriate, or their successor divisions, of that fact. At the conclusion of any such investigation, the Chief Compliance Officer shall provide, upon request, the Commission's Division of Market Oversight, or the Division of Clearing and Risk, as appropriate, or their successor divisions, with a copy of the report or other documentation specified in Rule 9.2.

## **Rule 9.5 Contesting and Appeals**

- A. The Respondent subject to the investigation may contest the Notice of Charges by submitting an answer to the Notice of Charges by electronic mail to the Compliance Department within 15 days of receipt of the Notice of Charges. The Respondent's answer must contain a detailed response to the findings and conclusions as to each charge and any other information the Respondent believes is relevant.
- B. After a Notice of Charges is issued, the Respondent has a right to examine all relevant books, documents, or other evidence in the possession or under the control of the Compliance Department, except that the Compliance Department may withhold from inspection any documents that:
  - 1. are privileged or that constitute attorney work product;
  - 2. were prepared by any Company Representative but which will not be offered in evidence in the disciplinary proceedings;
  - 3. may disclose a technique or guideline used in examinations, investigations, or enforcement proceedings; or
  - 4. disclose the identity of a confidential source.
- C. If the Respondent fails to answer a Notice of Charges, then such failure shall be deemed an admission to the findings in the Notice of Charges, and the Compliance Department shall present its findings and conclusions as final for the Disciplinary Panel's approval, along with the Compliance Department's proposed penalty (if any). The Disciplinary Panel shall impose the penalty (if any). The Compliance Department shall notify the Respondent of the imposition of any penalty and send a copy of the Notice of Charges by electronic mail. If the Respondent fails to acknowledge receipt of the electronic mail, the Compliance Department shall also notify the Respondent via the U.S. Postal Service to that Respondent's last known address.

- D. If the findings of the Compliance Department are contested, the Compliance Department's report and the Respondent's response will be submitted to a Disciplinary Panel.
- E. The Disciplinary Panel will conduct a fair hearing with the Compliance Department or other Company Representative and the Respondent within a reasonable period of time of receipt of the Participant's answer to the Notice of Charges contesting such Notice of Charges. Parties may attend telephonically. The formal rules of evidence shall not apply, but the hearing procedures must not deny a fair hearing.
  - 1. The hearing shall be recorded, and all information submitted by the parties and the recording of the hearing shall be treated as confidential by all parties and preserved by the Compliance Department, along with the Disciplinary Panel's findings, as the record of the proceedings (the "hearing record") in accordance with Rule 2.14.
  - 2. The hearing record shall be transcribed if requested by the Commission or Respondent, if the decision is appealed pursuant to these Rules, or if the Commission reviews the decision pursuant to Section 8c of the CEA or Part 9 of CFTC Regulations.
- F. Prior to the Disciplinary Panel's hearing, the parties may (but need not) submit proposed findings, briefs, and exhibits (including affidavits), and during the hearing the parties may present witnesses. The Respondent is entitled to cross-examine witnesses. Persons within the Company's jurisdiction who are called as witnesses must participate in the hearing and produce evidence. The Compliance Department shall use reasonable efforts to secure the presence of all other witnesses whose testimony would be relevant.
- G. Within 15 days after the Disciplinary Panel's hearing, the Disciplinary Panel shall issue a decision, which shall be delivered to the Respondent by electronic mail. If the Respondent has not made an appearance in the



Disciplinary Action and fails to acknowledge receipt of the electronic mail, then the Compliance Department shall also notify the Respondent via the U.S. Postal Service to the Respondent's last known address. The findings of the Disciplinary Panel shall contain the following information:

1. the Notice of Charges or a summary thereof, and any answer to the charges or a summary thereof;
  2. a summary of the evidence received;
  3. findings and conclusions with respect to each charge, and a complete explanation of the evidence and other basis for such findings and conclusions;
  4. an indication of each specific rule that the Respondent was found to have violated;
  5. a declaration of any penalty to be imposed on the Respondent as the result of the findings and conclusions, including the basis for such penalty;
  6. the effective date and duration of that penalty; and
  7. a statement that the Respondent has the right to appeal any adverse decision by the Disciplinary Panel to the Appeals Committee within 15 calendar days of receipt of the Disciplinary Panel's decision.
- H. The Disciplinary Panel's decision shall be final on the date it is issued, the finality of which shall be effective on the day after the last day of the appeal period.
- I. Either the Participant or the Compliance Department or the Company Representative may appeal the decision of the Disciplinary Panel within 15 calendar days by filing an appeal by electronic mail with the Appeals Committee and forwarding a copy to the other parties to the appeal. The Appeals Committee may review a decision on its own initiative. Any penalties shall be stayed pending appeal unless the Regulatory Oversight Committee determines that a stay pending appeal would likely be

detrimental to the Company, other Participants, or the public. The Appeals Committee shall review the hearing record and any information submitted by the Compliance Department or the Company Representative and the Respondent on appeal and issue a decision, which shall be final on the date of such issuance. The Respondent shall be notified of the Appeals Committee's decision by electronic mail. If the Respondent has not made an appearance in the Disciplinary Action and fails to acknowledge receipt of the electronic mail, the Compliance Department shall also notify the Respondent via the U.S. Postal Service to the Respondent's last known address. The hearing record, any information submitted on appeal, and the Appeals Committee's decision shall be preserved as the record on appeal in accordance with Rule 2.14. The decision shall contain the information listed in Rule 9.5 except for 9.5(G)(7).

#### **Rule 9.6 Settlements**

- A. The Company may enter into settlements with any Respondent any time during the disciplinary process, including prior to the issuance of a Notice of Charges and prior to any final decision by the Appeals Committee. The Respondent may initiate a settlement offer, but only a written offer of settlement that is supported by both parties shall be submitted by the CCO to the Disciplinary Panel for consideration. A settlement offer may be withdrawn at any time, by any party, before it is accepted by the Disciplinary Panel.
- B. The Disciplinary Panel may accept or reject a proposed settlement, and the decision of the Disciplinary Panel shall be final. The Disciplinary Panel must issue a written decision within 15 days of receipt of a settlement offer by the CCO.
- C. Any settlement under this Rule shall be in writing and shall state:
  - 1. the Notice of Charges, if yet served, or a summary thereof;
  - 2. the Respondent's answer, if any, or a summary thereof;

3. a summary of the investigation conducted;
  4. findings and conclusions as to each charge, including each act the Respondent was found to have committed or omitted, be committing or omitting, or be about to commit or omit, and each of these Rules or Applicable Law that such act or practice violated, is violating, or is about to violate;
  5. any penalty imposed and the penalty's effective date; and
  6. where customer harm is found to exist, full customer restitution where it can be reasonably determined.
- D. Failed settlement negotiations, or withdrawn settlement offers, will not prejudice a Respondent or otherwise affect subsequent procedures in the Rule enforcement process.

#### **Rule 9.7 Notice of Decision**

- A. The Compliance Department shall provide to the Respondent notice of the Disciplinary Action, decision of the Disciplinary Panel or Appeals Committee, or settlement in which sanctions are imposed, promptly after it becomes final. Notice shall be provided by electronic mail, unless the Respondent has not made an appearance in the Disciplinary Action and fails to acknowledge receipt of the electronic mail, in which case the Compliance Department shall also notify the Respondent via U.S. Postal Service at the Respondent's last known address.
- B. The Compliance Department shall provide to the NFA for inclusion in its Internet-accessible database of disciplinary matters within 30 calendar days after a decision becomes final, notice of any decision providing that a Respondent is suspended, expelled, disciplined or denied access to the Company.
- C. The Compliance Department shall make public notice of the Disciplinary Action when the Disciplinary Action becomes final by posting on its Website

the information required by CFTC Regulation 9.11 in accordance with CFTC Regulation 9.13.

### **Rule 9.8 Penalties**

As a result of a Disciplinary Action or as part of a settlement, the Compliance Department or Disciplinary Panel may impose one or more of the following penalties, commensurate with the violation committed, in consideration with the Respondent's disciplinary history, and including full customer restitution where customer harm is found and where such restitution can be reasonably determined:

- A. a letter of warning, censure, or reprimand (although no more than one such letter may be issued to the same Person found to have committed the same Rule violation within a rolling 12-month period);
- B. a fine or penalty for each Rule or Applicable Law violation sufficient to deter recidivism plus the monetary value of any benefit received as a result of the violation or the cost of damages to the unoffending counterparty;
- C. suspension of Participant, Customer, or Authorized User status or privileges for a specified period, including partial suspension of such privileges (for example, suspension of Clearing Privileges in particular types of Contracts or of placement of certain types of orders); and
- D. [Reserved]
- E. revocation of Participant, Customer, or Authorized User status or privileges, including partial revocation of such privileges (for example, revocation of Clearing Privileges in particular types of Contracts).

### **Rule 9.9 Summary Suspension**

- A. The Compliance Department may summarily suspend or restrict a Participant's, Customer's or an Authorized User's privileges if the Chief Compliance Officer believes suspension or restriction is necessary to protect the swaps, commodity futures or options markets, the Company, the public, or other Participants.

- B. All access denials, suspensions, expulsions and other restrictions imposed upon a Participant or Authorized User by the Compliance Department pursuant to these Rules shall restrict with equal force and effect, access to, and use of, the Company.
- C. The Compliance Department may deny or terminate the status of a Participant, including a Liquidity Provider, a Customer, and any Authorized User if (i) such Person is unable to demonstrate its ability to satisfy the applicable criteria set forth in Chapter 3 of these Rules; (ii) such Person is unable to demonstrate its compliance with all other applicable Rules; (iii) such Person's inability to demonstrate compliance with such criteria or Rules would, in the Company's sole discretion, bring the Company into disrepute or cause the Company to fail to be in compliance with the CEA or CFTC Regulations or other laws and regulations; (iv) such Person or any of its Authorized Users, as applicable, has committed a violation of the Rules; or (v) other good cause is shown as the Company may reasonably determine in its discretion.
- D. [Reserved]
- E. Whenever practicable the Compliance Department shall notify the Participant, Customer, or Authorized User whose privileges are to be summarily suspended by electronic mail before the action is taken. If prior notice is not practicable, the Participant, Customer or Authorized User shall be served with notice by electronic mail at the earliest opportunity. This notice shall:
  - 1. state the action taken or to be taken;
  - 2. briefly state the reasons for the action;
  - 3. state the time and date when the action became or becomes effective and its duration; and
  - 4. state that any Person aggrieved by the action may petition the Commission for a stay of the effective date of the action pending a

hearing pursuant to Part 9 of CFTC Regulations, within ten calendar days of service.

- F. The Participant, Customer or Authorized User whose privileges are to be summarily suspended shall be given an opportunity for appeal under the procedures outlined in Rule 9.5I. The decision affirming, modifying, or reversing the summary suspension shall be furnished by electronic mail to the suspended Participant, Customer or Authorized User, and to the Commission promptly after it is issued. The decision shall contain:
1. a description of the action taken and the reasons for the action;
  2. a brief summary of the evidence received during the appeal process;
  3. findings and conclusions;
  4. a determination as to whether the summary action that was taken should be affirmed, modified, or reversed;
  5. a declaration of any action to be taken against the suspended Participant or Authorized User as the result of that determination;
  6. the effective date and duration of that action;
  7. a determination of the appropriate relief based on the findings and conclusions;
  8. a statement that any Person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the Commission's Regulations, within 30 calendar days of service; and
  9. a statement that any Person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the Commission's Regulations, within ten calendar days of service.

#### **Rule 9.10 Reporting Violations to the Commission**

- A. Whenever the Company suspends, expels, fines or otherwise disciplines or denies any Person access to the Company DCO, the Company will make the disclosures required by Commission Regulations. Without limiting the

generality of the foregoing, upon rendering a final decision regarding a disciplinary or access denial action, the Company shall provide notice to the Commission by filing with NFA's BASIC.

- B. The Company will submit to the Commission a schedule, as enumerated in Rule 2.4, listing all those Company Rule violations which constitute disciplinary offenses as defined in paragraph (a)(6)(i) of CFTC Regulation 1.63 and, to the extent necessary to reflect revisions, will submit an amended schedule within thirty days of the end of each calendar year. The Company will maintain the schedule required by this section, and post the schedule on the Company's website.
- C. The Company will submit to the Commission within thirty days of the end of each calendar year a certified list of any Participants or Persons who have been removed from any Disciplinary Panel, the Board or any Company committee pursuant to these Rules or Applicable Law during the prior year.
- D. Whenever the Company finds by final decision that a Participant or Person has violated a Rule or otherwise committed a disciplinary offense and such finding makes such person ineligible to serve on the Company's Disciplinary Panels, Company committees, or the Board, the Company shall inform the Commission of such finding and the length of the ineligibility in a notice it is required to provide to the Commission pursuant to either CEA Section 17(h)(1) or CFTC Regulation 9.11.

## **CHAPTER 10 Arbitration**

### **Rule 10.1 In General**

- A. If so elected by a Customer, any Claim by the Customer against a Participant (including any related counterclaims) shall be settled by arbitration in accordance with this Chapter 10.
- B. Any Claim by a Participant against another Participant (including any related counterclaims) shall be settled by arbitration in accordance with this Chapter 10. Arbitration proceedings invoked pursuant to this paragraph shall be independent of, and shall not interfere with or delay the resolution of Customers' Claims submitted for arbitration pursuant to paragraph A.
- C. Notwithstanding paragraph B, the arbitration panel, in its sole and absolute discretion, may decline to take jurisdiction of, or, having taken jurisdiction may at any time decline to proceed further with, any Claim or any other dispute, controversy or counterclaim, other than such as may be asserted under paragraph A.
- D. A Claim brought pursuant to this Rule 10.1 shall be adjudicated by qualified arbitrators appointed in accordance with Rule 10.5 below.
- E. Persons to a dispute resolved in accordance with this Chapter 10 shall have the right to retain and be represented by legal counsel or any other representation of its choosing, except any Director or a member of the Disciplinary Panel or person substantially related to the underlying investigations, such as material witnesses or respondents during such proceedings. Persons to a dispute resolved in accordance with this Chapter 10 shall be responsible for their own costs, expenses and attorneys' fees incurred in connection with the dispute. Notwithstanding the foregoing, the Person that prevails shall be entitled to recover from the other party all costs, expenses and reasonable attorneys' fees incurred in any arbitration arising out of or relating to this Chapter 10, and in any legal action or administrative proceeding to enforce any arbitration award or relief.



- F. Any award or relief granted by the arbitrators hereunder shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction.
- G. Notwithstanding the foregoing, this Chapter 10 does not apply to disputes between Participants where:
  - 1. such Persons are required by the rules of a non-Company Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory Organization; or
  - 2. such Persons have, by valid and binding agreement, committed to arbitrate or litigate in a forum other than the Company.
- H. For purposes of this Chapter 10, the term “Claim” means any dispute which arises out of any Transaction, which dispute does not require for adjudication the presence of essential witnesses or third parties over whom the Company does not have jurisdiction or who are otherwise not available. The term “Claim” does not include disputes arising from underlying commodity transactions which are not a part of, or directly connected with, any Transaction.

#### **Rule 10.2 Fair and Equitable Arbitration Procedures**

- A. A Person desiring to initiate an arbitration as provided in Rule 10.1 shall file a notice of arbitration (a “Notice”) within two years from the time the Claim arose. The Notice must set forth the name and address of the party or parties against whom the Claim is being asserted, the nature and substance of the Claim, the relief requested and the factual and legal bases alleged to underlie such relief.
- B. The Notice shall be accompanied by a non-refundable check payable to the Company in payment of the arbitration fee. The amount of the fee shall be (i) \$500 for a Claim requesting relief totaling less than \$25,000 in the aggregate or (ii) \$1,000 for a Claim requesting relief totaling \$25,000 or more in the aggregate.

- C. Upon receipt, the Company shall promptly convene an arbitration panel in accordance with Rule 10.5. The Company shall deliver a copy of the Notice to each other party and to the arbitration panel.
- D. Within 20 days following the delivery of the Notice, each respondent shall file a written response (a "Response") with the Company, with a copy to the claimant, setting forth its or his position and any counterclaims, as applicable. If the Response sets forth one or more counterclaims, the claimant shall file within 20 days a written reply to such counterclaims with the Company, with a copy to the claimant.
- E. Once each party has had an opportunity to respond to the Claim and all counterclaims, the arbitration panel shall promptly schedule a hearing. Notwithstanding, Claims requesting relief totaling less than \$5,000 in the aggregate may, in the interests of efficiency and economy, be resolved without hearing.
- F. The chairman of the arbitration panel shall preside over the hearing and shall make such determinations on the relevancy and procedure as will promote a fair and expeditious adjudication.
- G. The arbitration panel shall consider all relevant, probative testimony and documents submitted by the parties. The arbitration panel shall not be bound by the formal rules of evidence.
- H. The final decision of the panel shall be by majority vote of the arbitrators, as applicable.
- I. Within 60 days after the termination of the hearing, the arbitration panel shall render its final decision in writing and deliver a copy thereof either in person or by first-class mail to each of the parties. The arbitration panel may grant any remedy or relief which it deems just and equitable, including, without limitation, the awarding of interest and the arbitration fee.
- J. The final decision of the arbitration panel shall not be subject to appeal within the Company.

- K. No verbatim record shall be made of the proceedings, unless requested by a party who shall bear the cost of such record.

### **Rule 10.3 Withdrawal of Arbitration Claim**

Any Notice may be withdrawn at any time before the Response is filed in accordance with this Chapter 10. If a Response has been filed, any withdrawal shall require consent of the party against which the Claim is asserted.

### **Rule 10.4 Penalties**

- A. Any failure on the part of a Person to arbitrate a dispute subject to this Chapter 10, or the commencement by any such Person of a suit in any court prior to arbitrating a case that is required to be arbitrated pursuant to this Chapter 10, violates these Rules and shall subject such Person to disciplinary proceedings pursuant to Chapter 9. Any Person that does not arbitrate a dispute pursuant to Rule 10.1G shall not be deemed to have violated these Rules.
- B. The Chief Compliance Officer, in consultation with the Regulatory Oversight Committee, may summarily suspend, pursuant to Rule 9.9, a Participant that fails to timely satisfy an arbitration award rendered in any arbitration pursuant to this Chapter 10.

### **Rule 10.5 Arbitration Panel**

- A. On an as-needed basis, the Company shall convene an arbitration panel to adjudicate an arbitration claim under this Chapter 10. For a Claim requesting relief totaling less than \$25,000 in the aggregate, the arbitration panel shall consist of one individual. For a Claim requesting relief totaling \$25,000 or more in the aggregate, the arbitration panel shall consist of three individuals.
- B. Members of the arbitration panel shall be individuals that do not have a direct interest (financial, personal or otherwise) in the matter.
- C. Any member of the arbitration panel may disqualify himself for any reason he deems appropriate.

- D. Each member of the arbitration panel shall conduct himself in a manner consistent with the American Bar Association/American Arbitration Association's "Code of Ethics for Arbitrators in Commercial Disputes," which the Company hereby adopts as its own code of ethics for arbitrators.
- E. Each member of the arbitration panel must have no less than five years' experience in the financial services industry, and no less than one arbitrator must have no less than five years' experience in the commodity futures or swap industry.
- F. In the event that members of the arbitration panel do not satisfy the requirements of this Rule 10.5, then the Regulatory Oversight Committee may substitute a new member for the arbitration panel or act as the arbitration panel, to the extent that the substituted member or the Regulatory Oversight Committee, as the case may be, does not have a direct interest (financial, personal or otherwise) in the matter.

## **CHAPTER 11 Miscellaneous**

### **Rule 11.1 Adjustments Necessitated by Material Changes in the Underlying**

In the event that, prior to or during the term of a Series, changes beyond the control of the Company occur in the availability of the Underlying or in the way the Underlying is calculated, or a value for the Underlying is unavailable or undefined in light of intervening events, the Company may adjust the terms of outstanding Series as it deems appropriate in its discretion to achieve fairness to holders of Contracts of the affected Series.

### **Rule 11.2 Prohibition on Trading by Company Personnel; Misuse of Material, Non-Public Information**

- A. Terms used in this Rule 11.2 and not otherwise defined in these Rules shall have the meanings set forth in CFTC Regulations 1.3 and 1.59.
- B. Company Personnel may not trade, directly or indirectly any Contract or any related financial instrument.
- C. Company Representatives may not trade, directly or indirectly any Contract or financial instrument where such Company Representative has access to material, non-public information concerning such Contract or financial instrument.
- D. The Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) may grant exemptions in accordance with the provisions of this Rule 11.2 to Company Personnel on a case-by-case basis under circumstances where the Company Personnel is participating in pooled investment vehicles and the Company Personnel has no direct or indirect control over Transactions effected by or for the account of the pool.
- E. For the avoidance of doubt, participation by Company Personnel in a retirement plan sponsored by the Company shall not be deemed to constitute trading directly or indirectly in a Contract or financial instrument, notwithstanding such plan's trading of Contracts or financial instruments.

- F. Any exempt Company Personnel that has received an exemption under Rule 11.2D must:
1. furnish to the Company (or, in the case of the Chief Compliance Officer, to the Board) account statements and other documents relevant to the trading activities that are so exempted; and
  2. inform the Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) within one Settlement Bank Business Day of any material change of information that may affect such Company Personnel's qualification for such exemption.
- G. Company Representatives are prohibited from disclosing material, non-public information obtained as a result of their employment, agency relationship or engagement with the Company for any purpose inconsistent with such Person's duties or responsibilities as an employee, agent, independent contractor, Director or Committee member.

### **Rule 11.3 Property Rights**

- A. Each Participant and Customer, on behalf of itself and each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing, hereby acknowledges and agrees that the Company owns and shall retain all right, title and interest in and to the Company, all components thereof, including, without limitation, all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including, without limitation, all registered or unregistered, as applicable, (a) copyright, (b) trademark, (c) service mark, (d) trade secret, (e) trade name, (f) data or database rights, (g) design rights, (h) moral rights, (i) inventions, whether or not capable of protection by patent or registration, (j) rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, (k) patent, and (l) other intellectual property and ownership rights, including applications for the grant of any of the same, in or to the Company and all other related

proprietary rights of the Company and/or any of its Affiliates (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind, other than Proprietary Data and Personal Information, transmitted by means of any of the foregoing, including, without limitation, market data, the "Proprietary Information"). Each Participant and Customer, on behalf of itself and each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing, further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of the Company. Each Participant and Customer acknowledges and agrees that it shall not and shall not permit its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing to reverse engineer, copy, bug fix, correct, update, transfer, reproduce, republish, broadcast, create derivative works based on or otherwise modify, in any manner, all or any part of the Company or the Proprietary Information. Each Participant and Customer further agrees to and to cause each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing, to keep the Proprietary Information confidential and not to transfer, rent, lease, copy, loan, sell or distribute, directly or indirectly, all or any portion of the Company or any Proprietary Information.

- B. Subject to the provisions of this Rule 11.3, each Participant and Customer on behalf of itself and each of its Affiliates, Authorized Users, and other Persons affiliated with any of the foregoing, hereby acknowledges and agrees that the Company is the owner of all rights, title and interest in and to all intellectual property and other proprietary rights (including all copyright, patent, trademark or trade secret rights) in market data, and all derivative works based thereon, and further agree not to distribute, create derivative works based on, or otherwise use or commercially exploit market data and any such derivative works, provided that Participants, Customers, Affiliates, Authorized Users, and such other Persons may use market data for their own internal business purposes. Without limiting the generality of

the foregoing, Participants, Customers, Affiliates, Authorized Users, and other Persons affiliated with any of the foregoing may not distribute, sell or retransmit market data exchange to any third party.

- C. Notwithstanding any other provision of this Rule 11.3, each Participant, Customer, and Authorized User retains such rights as it may enjoy under applicable law with respect to market data solely in the form such market data was submitted to the Company by such Participant, Customer, or Authorized User.
- D. Transaction Data shall not be disclosed publicly other than on an aggregated or anonymous basis, or in a manner that does not directly or indirectly identify any market participant who has submitted such data.
- E. The Company shall not condition access to the Company upon a Participant's or Customer's consent to the use of Proprietary Data and Personal Information for business or marketing purposes. Proprietary Data and Personal Information may not be used by the Company for business and marketing purposes unless the market participant has clearly consented to the use of Proprietary Data and Personal Information in such manner. The Company, where necessary, for regulatory purposes, may share Proprietary Data and Personal Information with one or more DCMs or SEFs. Nothing in this Rule shall preclude the Company from disclosing Proprietary Data and Personal Information: (1) as required by Applicable Law or legal process; (2) as the Company may deem necessary or appropriate in connection with any litigation affecting the Company; (3) to any Company Representative authorized to receive such information within the scope of his or her duties; (4) to a third party performing regulatory or operational services for the Company, provided that such party has executed a confidentiality and non-disclosure agreement in a form approved by the Company; (5) to a duly authorized representative of the CFTC lawfully requesting Proprietary Data and Personal Information; (6) in a manner in which a market participant consents to such disclosure;



(7) pursuant to the terms of an information-sharing agreement; or (8) as permitted by CFTC Regulations.

#### **Rule 11.4 Signatures**

Rather than rely on an original signature, the Company may elect to rely on a signature that is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, photocopying, electronic mail, electronic data interchange, telegram, or telex) as if it were (and the signature shall be considered and have the same effect as) a valid and binding original.

#### **Rule 11.5 Governing Law**

The Rules, and the rights and Obligations of the Company, Participants, Customers, and their respective Authorized Representative(s) or Authorized User(s), under the Rules, shall be governed by, and construed in accordance with, the laws of the State of New York without regard to any provisions of New York law that would apply the substantive law of a different jurisdiction. The State of New York is the “securities intermediary’s jurisdiction” within the meaning of Section 8-110(e) of the UCC for all purposes of the UCC.

#### **Rule 11.6 Legal Proceedings**

- A. Any action, suit or proceeding against the Company, its Officers, Directors, limited liability company members, employees, agents, or any member of any committee must be brought within one year from the time that a cause of action has accrued. Any such action, suit or proceeding shall be brought in the State or Federal courts located within the City of New York, New York. Each Participant, Customer, and Authorized User expressly consents to the jurisdiction of any such court, waives any objection to venue therein, and waives any right it may have to a trial by jury.
- B. In the event that a Participant or Customer, or their respective Authorized User(s), or an Affiliate of such Person, who fails to prevail in a lawsuit or other legal proceeding instituted against (i) the Company or (ii) any Affiliate of the Company or any of its respective officers, directors, equity holders,

employees, agents, or any member of any committee, and related to the business of the Company, such Participant, Customer, or respective Authorized User shall pay to the Company all reasonable costs and expenses, including attorneys' fees, incurred by the Company in the defense of such proceeding. Participant and Customer agree that the Company has the authority to unilaterally debit such costs and expenses from the Participant's or Customer's account(s) with the Company following a final judgment. This Rule 11.6 shall not apply to Company disciplinary actions, appeals thereof, or an instance in which the Board has granted a waiver of the provisions hereof.

- C. The Company will provide to the Commission copies of documents pertaining to Company-related pending legal proceedings as required under CFTC Regulation 1.60.

#### **Rule 11.7 LIMITATION OF LIABILITY; NO WARRANTIES**

- A. EXCEPT AS OTHERWISE SET FORTH IN THE RULES, OR DUE TO COMPANY OBLIGATIONS ARISING FROM THE ACT OR CFTC REGULATIONS, INCLUDING, WITHOUT LIMITATION, PART 39 OF THE CFTC REGULATIONS, OR OTHERWISE UNDER APPLICABLE LAW, NEITHER THE COMPANY NOR ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES SHALL BE LIABLE TO ANY PERSON, PARTICIPANT, CUSTOMER OR ANY PARTNER, DIRECTOR, OFFICER, AGENT, EMPLOYEE, AUTHORIZED USER OR AUTHORIZED REPRESENTATIVE THEREOF, FOR ANY LOSS, DAMAGE, INJURY, DELAY, COST, EXPENSE, OR OTHER LIABILITY OR CLAIM, WHETHER IN CONTRACT, TORT OR RESTITUTION, OR UNDER ANY OTHER CAUSE OF ACTION, SUFFERED BY OR MADE AGAINST THEM AS A RESULT OF THEIR USE OF SOME OR ALL OF THE PLATFORM OR THE WEBSITE, AND BY MAKING USE OF THE PLATFORM OR THE

WEBSITE, SUCH PERSONS EXPRESSLY AGREE TO ACCEPT ALL LIABILITY ARISING FROM THEIR USE OF SAME.

- B. EXCEPT AS OTHERWISE SET FORTH IN THESE RULES OR DUE TO COMPANY OBLIGATIONS ARISING FROM THE ACT OR CFTC REGULATIONS, INCLUDING, WITHOUT LIMITATION, PART 39 OF THE CFTC REGULATIONS, OR OTHERWISE UNDER APPLICABLE LAW, NEITHER THE COMPANY NOR ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES SHALL BE LIABLE TO ANY PERSON, PARTICIPANT, CUSTOMER, OR ANY PARTNER, DIRECTOR, OFFICER, AGENT, EMPLOYEE, AUTHORIZED USER OR AUTHORIZED REPRESENTATIVE THEREOF, FOR ANY LOSS, DAMAGE, INJURY, DELAY, COST, EXPENSE, OR OTHER LIABILITY OR CLAIM, WHETHER IN CONTRACT, TORT OR RESTITUTION, OR UNDER ANY OTHER CAUSE OF ACTION, SUFFERED BY OR MADE AGAINST THEM, ARISING FROM (A) ANY FAILURE OR NON-AVAILABILITY OF THE PLATFORM OR WEBSITE; (B) ANY ACT OR OMISSION ON THE PART OF THE COMPANY, COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES INCLUDING WITHOUT LIMITATION A DECISION OF THE COMPANY TO SUSPEND, HALT, OR TERMINATE TRADING OR TO VOID, NULLIFY OR CANCEL ORDERS OR TRADES IN WHOLE OR IN PART; (C) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE COMPANY, AFFILIATES, THE PLATFORM, OR THE WEBSITE; (D) UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF THE PLATFORM OR WEBSITE BY ANY PERSON; (E) ANY FORCE MAJEURE EVENT, INCLUDING, BUT NOT LIMITED TO, THE UNAVAILABILITY OF THE BLOCKCHAIN AS REASONABLY DETERMINED BY THE COMPANY, AFFECTING THE COMPANY OR A CONTRACT; OR (F) ANY LOSS TO ANY PARTICIPANT OR CUSTOMER RESULTING FROM A PARTICIPANT'S OR CUSTOMER'S OWN SECURITY OR THE INTEGRITY OF A

PARTICIPANT'S OR CUSTOMER'S TECHNOLOGY OR TECHNOLOGY SYSTEMS. THIS LIMITATION OF LIABILITY WILL APPLY REGARDLESS OF WHETHER OR NOT THE COMPANY, ANY COMPANY REPRESENTATIVES, ANY COMPANY AFFILIATES OR AFFILIATES' REPRESENTATIVES (OR ANY DESIGNEE THEREOF) WAS ADVISED OF OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF SUCH DAMAGES.

- C. A PERSON'S USE OF THE PLATFORM OR THE WEBSITE, COMPANY PROPERTY AND ANY OTHER INFORMATION AND MATERIALS PROVIDED BY THE COMPANY IS AT THE PERSON'S OWN RISK, AND THE PLATFORM, THE WEBSITE, THE COMPANY PROPERTY AND ANY OTHER INFORMATION AND MATERIALS PROVIDED BY THE COMPANY HEREUNDER ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, WITHOUT WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, BY STATUTE, COMMON LAW OR OTHERWISE, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. THE COMPANY DOES NOT GUARANTEE THAT (A) THE COMPANY PROPERTY, THE PLATFORM, OR THE WEBSITE WILL OPERATE IN AN ERROR-FREE, SECURE OR UNINTERRUPTED MANNER; (B) ANY INFORMATION OR MATERIALS PROVIDED BY THE COMPANY OR ACCESSIBLE THROUGH THE COMPANY PROPERTY, THE PLATFORM, OR THE WEBSITE WILL BE ACCURATE, COMPLETE, RELIABLE, OR TIMELY; OR (C) THE COMPANY PROPERTY OR ANY ASPECTS OF THE PLATFORM OR THE WEBSITE WILL BE FREE FROM VIRUSES OR OTHER HARMFUL COMPONENTS. THE COMPANY SHALL HAVE NO LIABILITY FOR THE CREDITWORTHINESS OF ANY PERSON OR FOR THE ACTS OR OMISSIONS OF ANY PERSON UTILIZING THE PLATFORM, THE WEBSITE, OR ANY ASPECT OF THE COMPANY,

PLATFORM, OR WEBSITE. A PERSON ACCESSING THE COMPANY IS SOLELY RESPONSIBLE FOR THE SECURITY AND INTEGRITY OF THE PERSON'S TECHNOLOGY. A PERSON'S ACCESS TO THE COMPANY MAY BE INTERNET-BASED AND THE COMPANY HAS NO CONTROL OVER THE INTERNET OR A PERSON'S CONNECTIONS THERETO. ANY PERSON ACCESSING THE COMPANY ACKNOWLEDGES THAT THE INTERNET, COMPUTER NETWORKS, AND COMMUNICATIONS LINKS AND DEVICES NECESSARY TO ENABLE A PERSON TO ACCESS AND USE THE PLATFORM AND THE WEBSITE ARE INHERENTLY INSECURE AND VULNERABLE TO ATTEMPTS AT UNAUTHORIZED ENTRY AND THAT NO FORM OF PROTECTION CAN ENSURE THAT A PARTICIPANT'S DATA, HARDWARE, OR SOFTWARE OR THE PLATFORM OR OTHER COMPANY PROPERTY WILL BE FULLY SECURE. FURTHERMORE, THE COMPANY SHALL HAVE NO OBLIGATION TO MONITOR OR VERIFY ANY INFORMATION DISPLAYED THROUGH THE PLATFORM OR THE WEBSITE.

- D. A PARTICIPANT THAT DEPOSITS COLLATERAL FOR ITS BENEFIT OR THE BENEFIT OF ITS CUSTOMERS WITH THE COMPANY PURSUANT TO THESE RULES SHALL HOLD THE COMPANY HARMLESS FROM ALL LIABILITY, LOSSES AND DAMAGES WHICH MAY RESULT FROM OR ARISE WITH RESPECT TO THE CARE AND SALE OF SUCH COLLATERAL PROVIDED THAT THE COMPANY HAS ACTED REASONABLY AND IN ACCORDANCE WITH APPLICABLE LAW UNDER THE CIRCUMSTANCES. FURTHERMORE, THE COMPANY HAS NO RESPONSIBILITY FOR ANY ACT OR OMISSION OF ANY THIRD PARTY SERVICE PROVIDER THAT THE COMPANY HAS CHOSEN WITH REASONABLE CARE. THE COMPANY HAS NO RESPONSIBILITY OR LIABILITY FOR ANY LOSS OF COLLATERAL THAT RESULTS, DIRECTLY OR INDIRECTLY, FROM A BREACH TO A PARTICIPANT'S OR CUSTOMER'S SECURITY OR ELECTRONIC SYSTEMS, INCLUDING BUT NOT LIMITED TO CYBER ATTACKS, OR FROM A PARTICIPANT'S

NEGLIGENCE WITH RESPECT TO A WALLET, ADDRESS OR THE RECEIPT OF COLLATERAL UPON THE REQUEST OF A WITHDRAWAL, OR FROM A PARTICIPANT'S DEPOSIT, MISTAKE, ERROR, NEGLIGENCE, OR MISCONDUCT WITH RESPECT TO ANY COLLATERAL TRANSFERS A PARTICIPANT MAKES OR ATTEMPTS TO MAKE TO THE COMPANY.

- E. NO PARTICIPANT, CUSTOMER, OR THEIR RESPECTIVE AUTHORIZED USERS, AUTHORIZED REPRESENTATIVES OR ANY OTHER PERSON SHALL BE ENTITLED TO COMMENCE OR CARRY ON ANY PROCEEDING AGAINST THE COMPANY, ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES, IN RESPECT OF ANY ACT, OMISSION, PENALTY OR REMEDY IMPOSED PURSUANT TO THE RULES OF THE COMPANY. THIS SECTION SHALL NOT RESTRICT THE RIGHT OF SUCH PERSONS TO APPLY FOR A REVIEW OF A DIRECTION, ORDER OR DECISION OF THE COMPANY BY A COMPETENT REGULATORY AUTHORITY.
- F. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IN NO EVENT SHALL THE COMPANY OR ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES (WHETHER OR NOT THE COMPANY OR ANY SUCH PERSON HAD BEEN INFORMED OR NOTIFIED OR WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES).
- G. ANY CLAIM FOR REDRESS OR DAMAGES HEREUNDER SHALL BE FILED IN A COURT OF COMPETENT JURISDICTION WITHIN ONE YEAR OF THE DATE ON WHICH SUCH CLAIM ALLEGEDLY AROSE. FAILURE TO INSTITUTE LITIGATION WITHIN SUCH TIME PERIOD SHALL BE DEEMED TO BE A WAIVER OF SUCH CLAIM AND THE

CLAIM SHALL BE OF NO FURTHER FORCE OR EFFECT. THE ALLOCATIONS OF LIABILITY IN THIS **RULE 11.7** REPRESENT THE AGREED AND BARGAINED FOR UNDERSTANDING OF THE PARTIES, AND EACH PARTY ACKNOWLEDGES THAT THE OTHER PARTY'S RIGHTS AND OBLIGATIONS HEREUNDER REFLECT SUCH ALLOCATIONS. THE PARTIES AGREE THAT THEY WILL NOT ALLEGE THAT THIS REMEDY FAILS ITS ESSENTIAL PURPOSE.

- H. THE LIMITATIONS ON LIABILITY IN THIS **RULE 11.7** SHALL NOT PROTECT ANY PARTY FOR WHICH THERE HAS BEEN A FINAL DETERMINATION (INCLUDING EXHAUSTION OF ANY APPEALS) BY A COURT OR ARBITRATOR TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT OR FRAUD. ADDITIONALLY, THE FOREGOING LIMITATIONS ON LIABILITY OF THIS RULE SHALL BE SUBJECT TO THE CEA AND THE REGULATIONS PROMULGATED THEREUNDER, EACH AS IN EFFECT FROM TIME TO TIME.

#### **Rule 11.8 Error Trade Policy**

- A. NEITHER THE COMPANY DCO NOR ANY OF ITS REPRESENTATIVES, ITS AFFILIATES OR ITS AFFILIATES' REPRESENTATIVES SHALL BE LIABLE TO ANY PERSON, OR ANY PARTNER, DIRECTOR, OFFICER, AGENT, EMPLOYEE, PARTICIPANT, CUSTOMER, AUTHORIZED USER OR AUTHORIZED REPRESENTATIVE THEREOF, FOR ANY LOSS, DAMAGE, INJURY, DELAY, COST, EXPENSE, OR OTHER LIABILITY OR CLAIM, WHETHER IN CONTRACT, TORT OR RESTITUTION, OR UNDER ANY OTHER CAUSE OF ACTION, SUFFERED BY OR MADE AGAINST THEM ARISING FROM ANY ACT OR OMISSION ON THE PART OF THE COMPANY, ITS REPRESENTATIVES, ITS AFFILIATES OR ITS AFFILIATES' REPRESENTATIVES, OR ANY SEF OR DCM CLEARING THROUGH THE COMPANY DCO RELATING TO ANY DECISION BY THE COMPANY TO, OR TO NOT, VOID, NULLIFY OR CANCEL ORDERS OR TRADES OR ADJUST THE PRICES OF ANY

TRADES IN WHOLE OR IN PART. THIS LIMITATION OF LIABILITY WILL APPLY REGARDLESS OF WHETHER OR NOT THE COMPANY, ITS REPRESENTATIVES, ITS AFFILIATES OR ITS AFFILIATES' REPRESENTATIVES (OR ANY DESIGNEE THEREOF), OR ANY SEF OR DCM CLEARING THROUGH THE COMPANY DCO WERE ADVISED OF OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF SUCH DAMAGES.

#### **Rule 11.9 Company Contacts**

All requests to cancel cleared trades must be directed to the Company via the Participant Portal. Any such request will be acted upon on a best-efforts basis by the relevant Company Personnel.

#### **Rule 11.10 [Reserved]**

#### **Rule 11.11 [Reserved]**

#### **Rule 11.12 Amendments to the Rules**

These Rules may be amended or repealed, or new Rules may be adopted. An amendment to a Rule, repeal of a Rule or adoption of a new Rule shall be effective on a date set forth by the Company, and set forth in a Participant Notice and on the Website.

#### **Rule 11.13 Transfer of Trades**

- A. The Chief Compliance Officer or his or her designee may, upon request by the Participant(s), approve a transfer of open trades and positions, and associated collateral, from the books of one Participant to the books of another Participant, or between one Customer and another Customer, provided that:
  - 1. the transfer constitutes a change from one account to another account where the underlying beneficial ownership in such accounts remains the same;



2. an error has occurred in the clearing of a trade and a transfer to correct such error is undertaken and is completed within two Business Days after the trade date;
  3. the transfer is in connection with, or as a result of, a merger, asset purchase, corporate restructuring, consolidation or similar non-recurring transaction between two or more entities; or
  4. If, in the judgment of the CCO (or his or her designee), the situation so requires and such transfer is in the best interest of the Company.
- B. All trades involved in the transfer must remain fully collateralized upon completion of the transfer.
- C. Unless otherwise permitted by the Company, a transfer that is permitted pursuant to this Rule 11.13 must be recorded and carried on the books of the receiving Participant at the original trade dates with the original trade prices.
- D. All transfers shall be reported to the Company in a form acceptable to the Company for the type of transactions involved. The Participant(s) involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.
- E. **Additional Requirements for Transfer of Open Positions between FCM Participants.** Any transfer between FCM Participants of open positions shall be subject to the following:
1. The Company DCO may, if in the best interests of the DCO, approve a position transfer without requiring the prior close out and re-booking of the Contract if the FCM Participant currently carrying a Customer Account (the "Carrying FCM Participant") notifies the Company DCO that the Customer has requested to transfer all or a portion of the positions in the Customer Account to another FCM Participant (the "Receiving FCM Participant"), provided that (i) the

written notification includes a representation that the Customer is not currently in Default, the Customer's name, Customer Account ID and, if the transfer is not of an entire account, a description of which Contracts are to be transferred, and (ii) the Receiving FCM Participant agrees to accept the transfer, the transferred Contracts will have sufficient collateralization in accordance with Rule 7.1 at the Receiving FCM Participant, and any Contracts cleared by the Company DCO remaining at the Carrying FCM Participant will remain sufficiently collateralized in accordance with Rule 7.1.

2. If the Carrying FCM Participant or Customer is in Default, transfers may only be affected at the latest settlement price, unless the Company DCO, in its discretion, determines that accepting the transfer at another price would not jeopardize the Company DCO (for example, if there is excess collateral on deposit or for some other reason).

#### **Rule 11.14 Digital Currency Fork Policy**

At some point in the future, there may be a change, or anticipated change, to the relevant operating rules, protocols, processes, or standards applicable to a Digital Currency underlying a Contract, including without limitation a hard fork, a user activated soft fork, or other events resulting in a split, division, alteration, conversion, replacement, of substitution of a Digital Currency into another form, a restriction on the transfer of the Digital Currency (such as a lockup or freeze), or a distribution of another asset to existing holders of the Digital Currency (such as an airdrop). Such an event may result in the creation of an asset that is subject to the Securities Act of 1933 (the "'33 Act"), as amended, and is subject to the jurisdiction of the SEC.

In the event of such change, or anticipated change, the Company shall have the sole discretion to take such action, including (without limitation) emergency action under Rule 2.12, that it deems appropriate. Such action may include (without limitation) revising delivery obligations under the Contract (such as providing for the delivery of one or more assets resulting from such an event), revising other terms of the Contract, determining

who should receive a newly created digital assets, assigning newly listed Contracts to Participants whose positions have been, or are anticipated to be affected, or refusing to transfer a newly created asset that is or may be subject to the '33 Act or the jurisdiction of the SEC. The Company shall endeavor to provide reasonable notice to market participants and take action in consultation with market participants, where reasonably possible and appropriate, and shall endeavor to align the exposures of Participants holding positions in open Contracts with exposures in the spot market.

#### **Rule 11.15 Contracts Not Voidable**

A Contract will not be void or voidable due to: (1) a violation by the Company of the provisions of sections 5 or 5h of the CEA or Parts 37 or 38 of CFTC Regulations; (2) any CFTC proceeding to alter or supplement a rule, term or condition under section 8a(7) of the CEA or to declare an emergency under section 8a(9) of the CEA; or (3) any other proceeding the effect of which is to: (i) alter or supplement a specific term or condition or trading rule or procedures, or (ii) require the Company to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

### **CHAPTER 12 Company Contracts**

**Rule 12.1 [Reserved]**

**Rule 12.2 [Reserved]**

**Rule 12.3 [Reserved]**

**Rule 12.4 [Reserved]**

**Rule 12.5 [Reserved]**

**Rule 12.6 [Reserved]**

**Rule 12.7 [Reserved]**

**Rule 12.8 [Reserved]**

**Rule 12.9 Company Contracts Offered**

The Company's Contract Specifications are set forth on the Website [here](#). Contract Specifications are subject to revision or amendment from time to time. The Company

shall post any proposed revisions to Company's Contract Specifications [here](#) prior to any changes becoming effective.

## **CHAPTER 13 – [RESERVED]**

## **Appendix B**

**LEDGERX LLC  
d/b/a MIAX DERIVATIVES EXCHANGE**

**DERIVATIVES CLEARING ORGANIZATION RULES**

**DCO Version 26.00**

**January 14, 2026**

## TABLE OF CONTENTS

	Page
CHAPTER 1 Definitions.....	2
Rule 1.1 Definitions.....	2
Rule 1.2 Rules of Construction .....	15
CHAPTER 2 Company Governance .....	17
Rule 2.1 Ownership .....	17
Rule 2.2 Board.....	17
Rule 2.3 Officers .....	19
Rule 2.4 Eligibility and Fitness.....	20
Rule 2.5 [Reserved].....	23
Rule 2.6 Committees and Subcommittees .....	23
Rule 2.7 Regulatory Oversight Committee .....	23
Rule 2.8 Risk Management Committee .....	25
Rule 2.9 Participant Committee .....	26
Rule 2.10 Nominating Committee.....	27
Rule 2.11 Disciplinary Panel and Appeals Committee .....	27
Rule 2.12 Emergency Rules .....	29
Rule 2.13 Conflicts of Interest.....	32
Rule 2.14 Recordkeeping .....	35
Rule 2.15 Information-Sharing Agreements .....	36
Rule 2.16 Recordkeeping and Reporting Requirements .....	37
Rule 2.17 Public Information.....	38
CHAPTER 3 Participants.....	40
Rule 3.1 Jurisdiction, Applicability of Rules .....	40
Rule 3.2 Participants – Applications, Agreements, Eligibility Criteria, Classifications and Privileges .....	41
Rule 3.3 Participant Obligations .....	47
Rule 3.4 Customer Obligations.....	56
Rule 3.5 Customer Account Requirements .....	58
Rule 3.6 Customer Funds Maintained with the Company .....	59
Rule 3.7 Dues, Fees and Expenses Payable by Participants and Customers .....	59
Rule 3.8 Communications.....	60
Rule 3.9 Independent Software Vendors.....	61

# TABLE OF CONTENTS

(continued)

	<b>Page</b>
Rule 3.10 Additional Account Provisions .....	62
Rule 3.11 Withdrawal of Participant.....	64
Rule 3.12 FCM Participant Additional Obligations .....	65
Rule 3.13 Withdrawal of FCM Participant.....	70
Rule 3.14 Affiliate Clearing Participants .....	72
CHAPTER 4 Liquidity Providers .....	73
Rule 4.1 Application and Agreement .....	73
Rule 4.2 Appointment .....	73
Rule 4.3 Benefits .....	74
Rule 4.4 Obligations .....	74
CHAPTER 5 [Reserved] .....	75
CHAPTER 6 Clearing and Delivery .....	76
Rule 6.1 Clearance and Substitution .....	76
Rule 6.2 Settlement of Contracts.....	77
Rule 6.3 Deposit Procedures.....	78
Rule 6.4 Withdrawal Procedures .....	79
Rule 6.5 [Reserved] .....	80
Rule 6.6 Reconciliation .....	80
Rule 6.7 Swap Data Reporting .....	80
CHAPTER 7 Margin .....	83
Rule 7.1 Full Collateralization of Contracts Required .....	83
Rule 7.2 Collateral .....	83
Rule 7.3 Segregation of Participant Funds .....	85
Rule 7.4 Concentration Limits.....	86
CHAPTER 8 Business Conduct and Trading Practices .....	87
Rule 8.1 Scope .....	87
Rule 8.2 [Reserved] .....	87
Rule 8.3 [Reserved] .....	87
Rule 8.4 [Reserved] .....	87
Rule 8.5 Acts Detrimental to the Welfare or Reputation of the Company Prohibited ....	87
Rule 8.6 Misuse of the Platform.....	87
Rule 8.7 Supervision; Information Sharing .....	87

# TABLE OF CONTENTS

(continued)

	<b>Page</b>
Rule 8.8 Business Conduct .....	88
Rule 8.9 [Reserved] .....	89
Rule 8.10 [Reserved] .....	89
Rule 8.11 [Reserved] .....	89
Rule 8.12 [Reserved] .....	89
Rule 8.13 [Reserved] .....	89
Rule 8.14 [Reserved] .....	89
Rule 8.15 [Reserved] .....	89
Rule 8.16 [Reserved] .....	89
Rule 8.17 [Reserved] .....	89
Rule 8.18 [Reserved] .....	89
Rule 8.19 Compliance .....	89
CHAPTER 9 Discipline and Enforcement.....	91
Rule 9.1 General.....	91
Rule 9.2 Investigations .....	94
Rule 9.3 Disciplinary Panel.....	95
Rule 9.4 Notice of Charges.....	97
Rule 9.5 Contesting and Appeals .....	98
Rule 9.6 Settlements .....	101
Rule 9.7 Notice of Decision .....	102
Rule 9.8 Penalties.....	103
Rule 9.9 Summary Suspension .....	103
Rule 9.10 Reporting Violations to the Commission .....	105
CHAPTER 10 Arbitration .....	107
Rule 10.1 In General.....	107
Rule 10.2 Fair and Equitable Arbitration Procedures .....	108
Rule 10.3 Withdrawal of Arbitration Claim .....	110
Rule 10.4 Penalties.....	110
Rule 10.5 Arbitration Panel.....	110
CHAPTER 11 Miscellaneous.....	112
Rule 11.1 Adjustments Necessitated by Material Changes in the Underlying.....	112



# **TABLE OF CONTENTS** (continued)

	<b>Page</b>
Rule 11.2 Prohibition on Trading by Company Personnel; Misuse of Material, Non-Public Information.....	112
Rule 11.3 Property Rights.....	113
Rule 11.4 Signatures .....	116
Rule 11.5 Governing Law .....	116
Rule 11.6 Legal Proceedings.....	116
Rule 11.7 LIMITATION OF LIABILITY; NO WARRANTIES .....	117
Rule 11.8 Error Trade Policy .....	122
Rule 11.9 Company Contacts.....	123
Rule 11.10 [Reserved].....	123
Rule 11.11 [Reserved].....	123
Rule 11.12 Amendments to the Rules .....	123
Rule 11.13 Transfer of Trades.....	123
Rule 11.14 Digital Currency Fork Policy .....	125
Rule 11.15 Contracts Not Voidable .....	126
CHAPTER 12 Company Contracts.....	126
Rule 12.1 [Reserved].....	126
Rule 12.2 [Reserved].....	126
Rule 12.3 [Reserved].....	126
Rule 12.4 [Reserved].....	126
Rule 12.5 [Reserved].....	126
Rule 12.6 [Reserved].....	126
Rule 12.7 [Reserved].....	126
Rule 12.8 [Reserved].....	126
Rule 12.9 Company Contracts Offered.....	126
CHAPTER 13 – [RESERVED].....	127

**DERIVATIVES CLEARING ORGANIZATION RULES  
OF  
LEDGERX LLC  
d/b/a MIAX DERIVATIVES EXCHANGE**

**Introduction**

The Commodity Exchange Act requires that LedgerX LLC d/b/a MIAX Derivatives Exchange (the “Company”) comply with the core principles set forth in the Commodity Exchange Act, as amended, and the regulations, rules and orders of the Commodity Futures Trading Commission, and establish, monitor and enforce its Rules relating to its business as a Derivatives Clearing Organization (“DCO”). The following Derivatives Clearing Organization Rules of the Company pertain to the clearing of Contracts on the Company DCO, the clearing of other Contracts as a provider of Clearing Services, and the rights and Obligations of Participants and Customers in connection with such activities.

## CHAPTER 1 Definitions

### Rule 1.1 Definitions

As used in these Rules, the following terms have the following respective meanings:

**Affiliate:** A Person who, directly or indirectly, controls, is controlled by, or is under common control with another Person.

**AML:** Anti-money laundering, as defined by the Bank Secrecy Act of 1970, the International Emergency Powers Act, the Trading with the Enemy Act, and by all regulations promulgated thereunder, and applicable Executive Orders, as amended.

**Appeals Committee:** A committee of the Board composed of Directors pursuant to Rule 2.11, and that acts in an adjudicative role and fulfills various adjudicative responsibilities and duties as described in Chapter 9.

**Applicable Law:** With respect to any Person, any statute, law, regulation, rule, code, writ, decree, directive or injunction issued or promulgated, or ordinance of any government, governmental agency or authority, or self-regulatory authority or SRO applicable to such Person, including without limitation the CEA and CFTC Regulations and any laws and regulations relating to economic or trade sanctions.

**As soon as technologically practicable:** As soon as possible, taking into consideration the prevalence, implementation and use of technology by comparable market participants.

**Authorized Representative:** With respect to any Participant that is an entity, a natural person who is an officer of such entity.

**Authorized User:** A natural person who has the power to submit Orders and enter into Transactions on a DCM or SEF that clears through the Company DCO, and submit Transactions to the Company DCO for clearing, on behalf of a Participant or Customer. Where a Participant or Customer is a legal entity, the Authorized User is a natural person employed by, or acting as an agent for, that legal entity. Participants or Customers who are themselves natural persons are the Authorized

Users for their own accounts. All Participants and Customers having any Authorized Users are required to supervise their Authorized Users' activities.

**Binary Option:** An option contract with two positions which settle to an outcome of "YES" or "NO," rather than settling to a price or value.

**Bitcoin or BTC:** A Digital Currency.

**Block Trade:** A privately negotiated transaction effected away from the central limit order book of the Company DCM in accordance with DCM Rule 5.7.

**Board:** The Board of Directors of the Company.

**Business Day:** Any day on which the Company DCM, the Company SEF, or another DCM or SEF that clears trades through the Company DCO is open for trading, as the context requires.

**CEA or Act:** The Commodity Exchange Act, as amended.

**CFTC:** The U.S. Commodity Futures Trading Commission.

**CFTC Regulations:** The regulations of the CFTC, as amended and in effect from time to time, including any Commission-issued orders or interpretive or no-action letters.

**Chief Compliance Officer:** The individual appointed by the Board, to serve as the Company's chief compliance officer. For the avoidance of doubt, the same person who is appointed to be the Company DCO's chief compliance officer may also serve as the Company DCM's chief regulatory officer.

**Chief Executive Officer:** The individual appointed by the Board to serve as the Company's chief executive officer.

**Chief Risk Officer:** The individual appointed by the Board to serve as the Company's chief risk officer.

**Cleared Swaps Customer:** As defined in Section 22.1 of CFTC Regulations.

**Cleared Swaps Customer Account:** As defined in Section 22.1 of CFTC Regulations and shall include an account established and maintained for a Cleared

Swaps Customer by the Company DCO to which a financial asset is or may be credited in accordance with these Rules and such other procedures as the Company DCO may implement from time to time.

**Cleared Swaps Customer Collateral:** As defined in Section 22.1 of CFTC Regulations.

**Cleared Swaps Proprietary Account:** The internal account of the FCM Participant's proprietary funds and cleared swap positions held by the Company DCO, where such USD funds are held in the Member Property Account of the Company DCO and commingled with other Participants but not customers of the FCM Participant.

**Clearing House** means the Company, in its capacity as a DCO.

**Clearing Services** means the provision by the Clearing House to a registered DCM or SEF of fully collateralized clearing, settlement and ancillary services.

**Clearing Privileges:** Any right granted by the Company to a Participant to clear the Company's Contracts or Contracts of another registered DCM or SEF through the Company DCO.

**Collateral Account:** With respect to Direct Access Participants, that Person's Direct Access Participant Account, or the account opened and maintained by the Company DCO at a Settlement Bank (a) to which a Direct Access Participant transfers funds and (b) from which the Company DCO is authorized to debit fees and margin or option premium, and debit or credit settlement payments, as applicable. With respect to FCM Participants, the Cleared Swaps Customer Account, Customer Segregated Account, Cleared Swaps Proprietary Account, and Futures Proprietary Account opened and maintained by the Company DCO at a Settlement Bank in connection with that FCM Participant (a) to which an FCM Participant transfers Customer Funds or Proprietary Funds, as applicable, and (b) from which the Company DCO is authorized to debit fees and margin or option premium, and debit or credit settlement payments, as applicable.

**Commission or CFTC:** The U.S. Commodity Futures Trading Commission.

**Company:** LedgerX LLC d/b/a MIAX Derivatives Exchange. For the avoidance of doubt, references to the “Company” generally shall refer to the Company in its capacity as a DCO, unless otherwise specified or as the context requires.

**Contract:** Any derivative contract, including a futures contract, option on a futures contract, option contract or swap agreement, based on one or more Underlying subject to the Rules.

**Contract Specifications:** The terms and conditions of a Contract, as amended from time to time, posted on the Website at [miaxdx.com/products](http://miaxdx.com/products).

**Company DCM:** The Designated Contract Market of the Company.

**Company DCO:** The Derivatives Clearing Organization of the Company.

**Company Official:** A Director, Officer, committee member, or such other individual as the Board may designate from time to time.

**Company Personnel:** A Company employee, consultant of the Company, contractor of the Company or agent of the Company.

**Company Representative:** Any Company Official or Company Personnel.

**Company SEF:** The Swap Execution Facility of the Company.

**Compliance Department:** The department, reporting to the Chief Compliance Officer, that is responsible for compliance, investigations and disciplinary proceedings.

**Contract** means any derivative contract, including a futures contract, an option on a futures contract, Binary Option, option contract or swap agreement, based on one or more Underlying and for which the Clearing House provides Clearing Services subject to the Rules.

**Customer:** (i) a Cleared Swaps Customer of an FCM Participant; (ii) a Futures Customer of an FCM Participant; or (iii) both a Cleared Swaps Customer and a Futures Customer of an FCM Participant, in each case as the context requires.

**Customer Account:** A Cleared Swaps Customer Account or a Customer Segregated Account, as the context requires.

**Customer Funds:** As defined in CFTC Regulation 1.3 (including both funds from Customers and the residual interest or residual financial interest of FCM Participants).

**Customer ID:** The unique identifying code an FCM Participant assigns to a Customer and includes in each Customer Order to identify the individual Customer for whom the FCM Participant is exercising Trading Privileges and/or Clearing Privileges.

**Customer Segregated Account:** A “futures account,” as defined in CFTC Regulation 1.3, and shall include an account established and maintained for a Futures Customer by the Company DCO to which a financial asset is or may be credited in accordance with these Rules and such other procedures as the Company DCO may implement from time to time.

**Customer Type Indicator Code or CTI:** A symbol that indicates the buying and selling customer types, as required by CFTC Regulation 1.35(g).

**Default:** For any Participant or Customer, the Company may find (but is not required to find) that the Person is in Default if the Company determines any of the following: (i) that the Person fails to comply with the requirements of Company Rules 6.1H or 7.1; (ii) that the Person fails to promptly discharge any Obligation owed to the Company; (iii) that the Person has failed to timely pay any dues, fees, fines, assessments, or penalties (by whatever name) levied upon it by the Company in accordance with Company Rules; (iv) that the Person has commenced a voluntary or a joint case in bankruptcy, or filed a voluntary petition or an answer seeking liquidation, reorganization, arrangement, readjustment of its debts or any other relief for the benefit of creditors under any bankruptcy or insolvency act or law of any jurisdiction, now or hereafter existing, or if such Person has applied for or consented to the appointment of a custodian, liquidator, conservator, receiver or trustee (or other similar official) for all or a substantial part of its property; (v) that the Person has made an assignment for the benefit of creditors; (vi) that the Person becomes or admits that it is insolvent; (vii) that an involuntary case is commenced against such Person in bankruptcy or an

involuntary petition is filed seeking liquidation, reorganization, arrangement, readjustment of its debts or any relief for the benefit of creditors under any bankruptcy or insolvency act or law of any jurisdiction, now or hereafter existing; (viii) that a custodian, liquidator, receiver or trustee (or other similar official) of the Person is appointed for all or a substantial part of its property, (ix) that a warrant of attachment, execution or similar process is issued against the Person's collateral; (x) that the Securities Investor Protection Corporation has filed an application for a protective decree with respect to the Person; or (xi) any SRO has commenced default or suspension proceedings against the Person.

**Derivatives Clearing Organization or DCO:** As set forth in Section 1a(15) of the CEA and registered with the Commission pursuant to Section 5b of the CEA and in accordance with the provisions of Part 39 of CFTC Regulations.

**Designated Contract Market or DCM:** A board of trade designated by the CFTC as a contract market under Section 5 of the CEA and in accordance with the provisions of Part 38 of CFTC Regulations.

**Digital Currency:** A medium of exchange stored and transferred electronically, including, but not limited to, Bitcoin and Ether.

**Direct Access Participant:** A Person who (i) is not an FCM, (ii) has executed the Direct Access Participant Agreement, (iii) has been accepted by the Company as a Direct Access Participant, (iv) is accessing the Platform directly, and (v) is authorized to enter into Orders and Transactions for the Person's own account.

**Direct Access Participant Agreement:** A written agreement between a Direct Access Participant and the Company that that is a precondition to gaining access to the Company DCM, SEF, or DCO for the execution and clearance of Transactions.

**Direct Access Participant Account:** An account established and maintained for a Direct Access Participant by the Company DCO to which a financial asset is or may be credited in accordance with these Rules and such other procedures as the Company DCO may implement from time to time.



**Director:** A member of the Board.

**Disciplinary Action:** Any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

**Disciplinary Panel:** A panel appointed by the Board pursuant to Rule 2.11 to act in an adjudicative role and fulfill various adjudicative responsibilities and duties as described in Chapter 9.

**Eligible Contract Participant or ECP:** As set forth in Section 1a(18) of the CEA and as further defined in CFTC Regulation 1.3.

**Emergency:** Any occurrence or circumstance which, in the opinion of the Board, the Chief Executive Officer, the Chief Compliance Officer, or a designee duly authorized to issue such an opinion, requires immediate action, and which threatens, or may threaten, such things as the fair and orderly trading in, the liquidation, settlement, delivery, or the integrity of, any Company Contract or other Contract cleared by the Company, or the timely collection and payment of funds in connection with clearing and settlement by the Company, including without limitation:

- a. any circumstance that may materially affect the performance of any Contract cleared and settled by the Company, including without limitation failure of the payment system, the bankruptcy or insolvency of any Participant, or any actual, attempted or threatened theft or forgery of, or other interference with, the Underlying or delivery or transfer thereof;
- b. any action taken by any United States or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, or any agency, department, instrumentality, or subdivision thereof; or other Person exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other entity registered with the Commission, board of trade, market or facility which may have a direct

impact on trading, clearing, or settlement of any Contract cleared through the Company;

- c. any actual, attempted or threatened corner, squeeze, congestion, or undue concentration of positions in any Contract cleared through the Company;
- d. any other circumstance that may have a severe, adverse effect upon the functioning of the Company DCO; or
- e. any manipulative or attempted manipulative activity.

**Emergency Action:** An action deemed to be necessary or appropriate to respond to an Emergency and taken pursuant to Rule 2.12.

**Emergency Rules:** Procedures or rules adopted in response to an Emergency pursuant to Rule 2.12.

**Ethereum or ETH or Ether:** A Digital Currency.

**FCM Participant:** A Person who (i) is registered with the Commission as a Futures Commission Merchant and designated as a swap firm (if applicable) with the NFA, (ii) has executed an FCM Participant Agreement, (iii) has been accepted by the Company as an FCM Participant, and (iv) to whom the Company has granted Trading Privileges and Clearing Privileges with respect to its Customer Account(s) and Proprietary Account(s), as applicable.

**FCM Participant Agreement:** A written agreement between an FCM Participant and the Company that is a precondition to gaining access to the Company DCM, SEF and DCO for the execution and clearance of Transactions.

**FCM Participant Withdrawal Close-Out Deadline Date:** (i) In the case of an FCM Participant whose status as an FCM Participant has been terminated by the Clearing House, the date so designated by the Clearing House; or (ii) in the case of an FCM Participant that has delivered an FCM Participant Withdrawal Notice, the date falling 30 days after the FCM Withdrawal Notice Date or such later date as the Clearing House may in its discretion permit and notify in writing to the affected FCM Participant.

**FCM Participant Withdrawal Notice:** Notice served by the FCM Participant on the Clearing House indicating that such FCM Participant intends to withdraw from being a FCM Participant.

**FCM Withdrawal Notice Date:** The date on which an FCM Participant delivers an FCM Participant Withdrawal Notice to the DCO.

**Futures Commission Merchant or FCM:** An individual or entity registered as an FCM as required under the CEA and CFTC Regulation 1.3.

**Futures Customer:** As defined in CFTC Regulation 1.3.

**Futures Proprietary Account:** A “proprietary account,” as defined in CFTC Regulation 1.3.

**Independent Software Vendor or ISV:** A Person that makes available to Participants a system or platform offering smart order routing, front-end trading applications, aggregation, or a combination of the foregoing, but that does not provide Participants the ability to effect Transactions on such system or platform.

**KYC:** Know Your Customer as defined by the Bank Secrecy Act of 1970, the USA PATRIOT Act, and all regulations promulgated thereunder, as amended.

**Legal Entity Identifier or LEI:** The identifying code that is required of each counterparty to any swap subject to the CFTC’s jurisdiction and that is used in all recordkeeping and all swap data reporting pursuant to Part 45 of CFTC Regulations, including any predecessor identifiers and including the Global Markets Entity Identifier or GMEI, which is the current identifier required by the CFTC until the establishment of a global Legal Entity Identifier system.

**Liquidity Provider:** As described in Chapter 4.

**Liquidity Provider Agreement:** An agreement between the Company and a Liquidity Provider that must be executed for a Participant to act as a Liquidity Provider.

**Market Participant Director:** A Director who has been found by the Board to be an authorized representative of a Participant and suitable to be a Director pursuant to Section 5b(c)(2)(Q) of the CEA.

**Matching Engine:** The set of algorithms through which Orders are matched.

**Material Relationship:** As set forth in Rule 2.2F.

**NFA:** The National Futures Association.

**Nominating Committee:** The committee of the Board constituted in accordance with Rule 2.10.

**Notice of Charges:** As set forth in Rule 9.4.

**Novation:** The process whereby a party to a Contract entered into on a SEF or DCM that clears through the Company DCO transfers all of its rights, liabilities, duties and obligations under the Contract to a new legal party other than the counterparty to the original Contract. The transferee accepts all of the transferor's rights, liabilities, duties and obligations under the original Contract. A Novation is valid as long as the transferor and the remaining party to the original Contract are given notice, and the transferor, transferee and remaining party to the original Contract consent to the transfer.

**Obligation:** Any Rule, order or procedure issued by the Company, including a Participant Notice or other requirement implemented by the Company under the Rules (including each term and condition of a Contract), as well as any contractual or financial obligations between, on the one hand, a Person, and on the other hand, the Company, and any Order or Transaction entered into by a Participant, Customer, or its Authorized Representatives or Authorized Users.

**OFAC:** The Office of Foreign Assets Control of the U.S. Department of the Treasury.

**Officer:** An individual as set forth in Rule 2.3.

**Operating Agreement:** The Limited Liability Company Operating Agreement of the Company, as it may be modified from time to time.

**Order:** Either a bid or an offer for a Company Contract entered on the Platform or in accordance with the Rules.

**Oversight Panel:** As defined in CFTC Regulation 1.69.

**Participant:** A Person that has executed either the Direct Access Participant Agreement and been accepted by the Company as a Direct Access Participant, or has executed the FCM Participant Agreement and been accepted by the Company as an FCM Participant.

**Participant Agreement:** The Direct Access Participant Agreement and/or the FCM Participant Agreement, as the context requires.

**Participant Committee:** The committee of the Board constituted in accordance with Rule 2.9.

**Participant Notice:** A communication posted on the Company website or sent by or on behalf of the Company to all Participants in accordance with Rule 2.17.

**Participant Portal:** The vehicle through which Participants send and receive messages to or from the Company and other Participants, update account and contact information, and submit deposit and withdrawal notifications.

**Person:** A natural person, partnership, limited partnership, corporation, limited liability company, joint stock company, unincorporated organization or association, trust or joint venture, or any other similar entity as the context reasonably permits.

**Platform:** The electronic trading facility operated by the Company SEF or DCM, and the Clearing House operated by the Company DCO, as applicable.

**Position Limit:** The maximum number of positions, either net long or net short, in one Series or a combination of various Series with the same Underlying that may be held or controlled by a Participant or Customer as prescribed by the Company or the Commission.

**Proprietary Account:** A Cleared Swaps Proprietary Account and/or a Futures Proprietary Account of an FCM Participant, as the context requires.

**Proprietary Data and Personal Information:** Information identifying a natural person (e.g., name, e-mail address) or other data proprietary to any Person that discloses such Person's trade secrets, market positions and/or other business transactions, excluding Transaction Data.

**Proprietary Information:** As set forth in Rule 11.3A.

**Public Director:** A Director who has been found by the Board to have no Material Relationship with the Company in accordance with Rule 2.2F.

**Public dissemination and publicly disseminate:** To publish and make available Swap transaction and pricing data in a non-discriminatory manner, through the Internet or other electronic data feed that is widely published (in a manner that is freely available and readily accessible to the public) and in machine-readable electronic format.

**Regulatory Agency:** Any government body, including the Commission, and any organization, whether domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of those subject to its authority, and includes, without limitation, the Company DCM, the Company DCO, any SEF or DCM that clears through the Company DCO, and NFA.

**Regulatory Oversight Committee:** The committee of the Board constituted in accordance with Rule 2.7.

**Regulatory Swap Data:** Includes (i) Swap Transaction and Pricing Data, (ii) Required Swap Creation Data and (iii) Required Swap Continuation Data.

**Reporting Counterparty:** As set forth in Part 45 of CFTC Regulations and means the Participant that is designated as the Reporting Counterparty pursuant to Rule 5.1.

**Required Swap Continuation Data:** As set forth in CFTC Regulation 45.1.

**Required Swap Creation Data:** As set forth in CFTC Regulation 45.1.

**Respondent:** Any Person subject to a Disciplinary Action and such Person's legal counsel or representative.

**Risk Management Committee:** The committee appointed by the Board and constituted in accordance with Rule 2.8.

**Rules:** The rules of the Company, as in effect and as may be amended from time to time.

**Self-Regulatory Organization or SRO:** A DCO, SEF, DCM, NFA, the Financial Industry Regulatory Authority (“FINRA”), and any other organization authorized or licensed by law to regulate the activities of its members.

**Series:** All Contracts having identical terms, including Settlement Date and the value or range of values of an Underlying or category of asset class.

**Settlement Bank:** A depository approved by the Company as an acceptable location for depositing Participant funds or Customer Funds, as applicable.

**Settlement Bank Business Day:** A day a Settlement Bank is open for business.

**Settlement Date:** A Business Day on which: (1) an open Contract expires; (2) settlement occurs; or (3) the Company automatically closes out and settles a Participant’s or Customer’s Contracts that offset one another. A Contract that is an option (excluding Binary Options) and that has not been exercised on or before the last trading day and time will expire with no value.

**Swap:** A Contract that is a swap as defined in Section 1a(47) of the CEA and as further defined by CFTC Regulation 1.3, and shall include Contracts that are options, including Binary Options, as set forth in the Contract Specifications.

**Swap Data Repository or SDR:** As set forth in Section 1a(48) of the CEA and registered with the Commission pursuant to Section 21 of the CEA and in accordance with Part 49 of CFTC Regulations.

**Swap Execution Facility or SEF:** As set forth in Section 1a(50) of the CEA and registered with the Commission pursuant to Section 5h of the CEA and in accordance with the provisions of Part 37 of CFTC Regulations.

**Swap Transaction and Pricing Data:** Any data required to be reported under Part 43 of CFTC Regulations.

**Trading Hours:** The hours during which Orders may be entered according to the rules of a SEF or DCM that clears through the Company DCO, and as may be revised from time to time by such SEF or DCM.

**Transaction:** Any purchase or sale of any Contract made on a SEF or DCM that clears through the Company DCO or pursuant to the Rules.

**Transaction Data:** Orders, bids, offers and related information concerning Contracts executed subject to the Rules, together with all information and other content contained in, displayed on, generated by or derived from the Platform.

**UCC:** The Uniform Commercial Code as in effect in the State of New York.

**Underlying:** The index, rate, risk, measure, instrument, differential, indicator, value, contingency, commodity, occurrence, or extent of an occurrence that shall determine the amount payable or deliverable under a Contract.

**Unique Transaction Identifier or UTI:** The unique identifier for a swap transaction, which shall be created, transmitted, and used for each swap executed on a SEF or DCM that clears through the Company DCO as provided in CFTC Regulation 45.5.

**U.S. Dollar or USD:** U.S. dollars and cents.

**User ID:** The unique identifier for an Authorized User linked to a particular Participant Account or Customer Account, and which is included on each Order to enable the Company to identify the Person entering such Orders.

**Website:** The Company home page and related pages accessible via the Internet, at, or connected with, the domain name miaxdx.com.

## **Rule 1.2 Rules of Construction**

For purposes of these Rules, the following rules of construction shall apply:

1. Words conveying a singular number include the plural number, where the context permits, and vice versa.
2. References to any Regulatory Agency include any successor Regulatory Agency.



3. If, for any reason, a Rule is found or determined to be invalid or unenforceable by a court of law, the Commission or another governmental or quasi-governmental agency with supervisory authority, such Rule shall be considered severed from the Rules and all other Rules shall remain in full force and effect.
4. All references to time are to the local time in New York, New York unless expressly provided otherwise.
5. All terms defined in the UCC and not otherwise defined herein shall have the respective meanings accorded to them therein.
6. In the event of a conflict between these Rules and a non-disclosure agreement between the Company or an Affiliate of the Company and a Participant or Customer, these Rules shall govern.
7. In the event of a conflict between these Rules and the CEA or CFTC Regulations, the applicable provision of the CEA and/or CFTC Regulation shall govern.

## **CHAPTER 2 Company Governance**

### **Rule 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. Participant status does not confer any equity interest or voting right in the Company.

### **Rule 2.2 Board**

- A. The Board shall, subject to applicable provisions in the Operating Agreement:
1. Be the governing body of the Company;
  2. Be constituted, and shall constitute its committees or subcommittees, to permit consideration of the views of market participants;
  3. Have charge and control of all property of the Company;
  4. Provide, acquire and maintain adequate Company offices and facilities;
  5. Fix, determine and levy all Participant, Customer, or other fees when necessary;
  6. Determine the Company's Contracts and the Company's Contract Specifications;
  7. Adopt, amend or repeal any Rules, with the input of Officers and committees or subcommittees;
  8. Have the power to act in Emergencies as detailed in Rule 2.12; and
  9. Have the power to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of the Officers, committees or subcommittees related to the day-to-day business operations of the Company.

- B. Any authority or discretion by the Rules vested in any Officer or delegated to any committee or subcommittee shall not be construed to deprive the Board of such authority or discretion and, in the event of a conflict, the determination of the matter by the Board shall prevail.
- C. A majority of the Directors serving on the Board, including at least one Public Director, shall constitute a quorum for the transaction of business of the Board. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting, and the Board may act only by the decision of a majority of the Directors constituting a quorum of the Board by vote at a meeting, by unanimous written consent without a meeting, or as otherwise set forth in the Operating Agreement.
- D. The Board shall comprise the number of Directors set forth in the Operating Agreement, which shall include Public Directors and Market Participant Directors in at least the number or percentage required under the CEA or CFTC Regulations, but in any event, (i) no less than two Directors shall be Public Directors and (ii) no less than two Directors shall be Market Participant Directors. Each Director (including Public Directors and Market Participant Directors) shall be appointed in accordance with the Operating Agreement, and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.
- E. Each Director is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Company.
- F. To qualify as a Public Director, an individual must be found, by the Board and on the record, to have no Material Relationship, as defined below, with the Company. The Board must make such finding at the time the Public Director is elected and as often as necessary in light of all circumstances relevant to such Public Director, but in no case less than annually. A “Material Relationship” is one that reasonably could affect the independent judgment or decision-making of the Director. The Board need not consider

previous service as a Director of the Company to constitute a Material Relationship. A Director shall be considered to have a Material Relationship with the Company if any of the following circumstances exist or have existed within the past year:

1. such Director is or was an Officer or an employee of the Company, or an officer or an employee of an Affiliate of the Company;
  2. such Director is or was a Participant; or
  3. such Director is or was a director, an officer, or an employee of a Participant.
- G. If any of the immediate family of a Director, i.e., spouse, parents, children, and siblings, in each case, whether by blood, marriage, or adoption, or any person residing in the home of the Director or that of his or her immediate family have a Material Relationship as defined above, then that Material Relationship is deemed to apply to such Director.
- H. The Board shall have procedures, as may be adopted by the Board from time to time, to remove a Director where the conduct of such Director is likely to be prejudicial to the sound and prudent management of the Company.
- I. The Board may review its performance and that of its individual Directors annually and may consider periodically using external facilitators for such review.

### **Rule 2.3 Officers**

- A. The Board shall appoint a Chief Executive Officer, Chief Compliance Officer, Chief Risk Officer and such other officers of the Company as it may deem necessary or appropriate from time to time.
- B. The Chief Compliance Officer must:
1. have the background and skills appropriate for fulfilling the responsibilities of the position;

2. be an individual who would not be disqualified from registration under Section 8a(2) or 8a(3) of the CEA;
  3. directly report to the Board and the Regulatory Oversight Committee, in addition to, and separate from, the CCO's reporting line to the Chief Executive Officer; and
  4. fulfill his or her duties as required pursuant to CFTC Regulations, including, but not limited to, the preparation and submission of an annual compliance report as described in CFTC Regulation 39.10(c)(3), and assist the Regulatory Oversight Committee in its preparation of an annual report consistent with the requirements of Appendix B to Part 38 of the CFTC Regulations.
- C. Any Officer may also be a director, officer, partner or employee of the Company or of any of its Affiliates, subject to disclosure and resolution of conflicts of interest. Notwithstanding the foregoing, the Chief Compliance Officer and the Chief Risk Officer must be two different individuals.
- D. The Officers shall have such powers and duties in the management of the Company as the Board may prescribe from time to time, subject to any limitations set forth in the Operating Agreement.
- E. Each Officer is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Company.

#### **Rule 2.4 Eligibility and Fitness**

- A. An individual may not serve as a Director or Officer, or serve on a committee or subcommittee established by the Board or hold a 10 percent or more ownership interest in the Company, if the individual:
1. within the prior three years has been found, by a final decision of a court of competent jurisdiction, an administrative law judge, the CFTC, or any Self-Regulatory Organization, to have committed a disciplinary offense;

2. within the prior three years has entered into a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
3. is currently suspended from trading on a Designated Contract Market or a Swap Execution Facility, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence of probation, or owes any portion of a fine or penalty imposed pursuant to either:
  - a. a finding by final decision of a court of competent jurisdiction, an administrative law judge, the CFTC or any Self-Regulatory Organization 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 disciplinary offense;
4. is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;
5. is currently, or within the past three years has been, subject to a revocation or suspension of registration by the CFTC, 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;
6. is currently subject to a denial, suspension or disqualification from serving on a disciplinary panel, 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
7. is subject to a statutory disqualification pursuant to Section 8a(2) of the CEA.

For purposes of this Rule 2.4A, the terms “disciplinary offense,” “final decision” and “settlement agreement” have the meaning given those terms in CFTC Regulation 1.63(a).

- B. Any Director, Officer, member of a committee established by the Board and any individual nominated to serve in any such role, shall immediately notify the Chief Executive Officer if such individual is subject to one or more of the criteria in Rule 2.4A. Prior to nomination to the Board, each individual shall certify he or she is not disqualified pursuant to Rule 2.4A. Upon appointment, each Director, Officer, and member of a committee shall provide to the Company, where applicable, changes in registration information within 30 days and certification of compliance accordingly. The Company shall verify information supporting Board compliance with eligibility criteria.
- C. To serve as a Director, an individual must possess the ability to contribute to the effective oversight and management of the Company, taking into account the needs of the Company and such factors as the individual’s experience, perspective, skills and knowledge of the industry in which the Company operates.
- D. A Director or Officer must meet any qualifications set forth from time to time in the Operating Agreement.
- E. An individual may not serve on any Disciplinary Panel, arbitration panel, or the Appeals Committee during any proceeding affecting or concerning such individual, to be determined in a reasonable manner by the Company’s General Counsel.
- F. If the Company determines that an individual subject to this Rule 2.4 no longer meets the criteria set forth in Rule 2.4.A., the Company shall inform the CFTC of such determination. The Company shall provide to the CFTC, upon request, an individual’s certification of compliance with the criteria set forth in Rule 2.4.A.

## **Rule 2.5 [Reserved]**

## **Rule 2.6 Committees and Subcommittees**

- A. The Board may create, appoint Directors to serve on, and delegate powers to, committees and subcommittees, except as otherwise specified herein. There shall be a Regulatory Oversight Committee, a Risk Management Committee, a Participant Committee, a Nominating Committee, and an Appeals Committee. Additional committees and subcommittees may be created and operated at the Board's discretion. The Board shall designate the Chairperson of each such Committee. Additionally, there shall be one or more Disciplinary Panels as set forth herein, which may consist of persons who are not Directors, and whose members are appointed by the Board.
- B. Each committee and subcommittee shall assist in the supervision, management and control of the affairs of the Company within its particular area of responsibility, subject to the Operating Agreement and the authority of the Board.
- C. Subject to the authority of the Board, each committee and subcommittee shall determine the manner and form in which its proceedings shall be conducted. A majority of the members serving on a committee or subcommittee, including at least one Public Director, shall constitute a quorum for the transaction of business of a committee or subcommittee. Each committee and subcommittee may act only by the decision of a quorum, by vote at a meeting or by unanimous written consent without a meeting. The Board has the authority to overrule the decisions of any committee or subcommittee.

## **Rule 2.7 Regulatory Oversight Committee**

- A. The Regulatory Oversight Committee shall be a standing committee of the Board consisting of only Public Directors, as appointed from time to time.



No less than two Public Directors shall serve on the Regulatory Oversight Committee.

- B. Each member of the Regulatory Oversight Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee or as a Public Director. A member of the Regulatory Oversight Committee may serve for multiple terms.
- C. The Regulatory Oversight Committee shall oversee the Company's regulatory program on behalf of the Board. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate. The Regulatory Oversight Committee shall make such recommendations to the Board that will, in its judgment, best promote the interests of the Company. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time.
- D. The Regulatory Oversight Committee shall prepare an annual report that assesses the Company's self-regulatory program for the Board and the CFTC. The annual report sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of each Disciplinary Panel. Such report may be prepared in conjunction with the Chief Compliance Officer's annual compliance report as required pursuant to CFTC Regulation 39.10(c)(3).
- E. Without limiting the generality of the foregoing, the Regulatory Oversight Committee shall have the authority to:
  - 1. monitor the regulatory program of the Company for sufficiency, effectiveness, and independence;

2. oversee all facets of the regulatory program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Participants and Customers (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;
3. review the size and allocation of the regulatory budget and resources; and the number, hiring, termination, and compensation of regulatory personnel;
4. supervise the Chief Compliance Officer of the Company, who will report directly to the Regulatory Oversight Committee, the Board, and the Chief Executive Officer;
5. recommend changes that would ensure fair, vigorous, and effective regulation; and
6. review all regulatory proposals prior to implementation and advise the Board as to whether and how such changes may impact regulation.

#### **Rule 2.8 Risk Management Committee**

- A. The Risk Management Committee shall be a standing committee consisting of at least 35 percent Public Directors, one Market Participant Director, and one Company Officer. The Risk Management Committee also may allow the participation of other market participants.
- B. Each member of the Risk Management Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Risk Management Committee or as a Public Director. A member of the Risk Management Committee may serve for multiple terms.

- C. The Risk Management Committee shall oversee the Company's risk management program. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Risk Management Committee to fulfill its mandate. The Risk Management Committee shall make such recommendations to the Board that will, in its judgment, best promote the interests of the Company. The Risk Management Committee shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time.

#### **Rule 2.9 Participant Committee**

- A. The Participant Committee shall be a standing committee of the Board consisting of at least 35 percent Public Directors, as appointed from time to time. No less than two Public Directors shall serve on the Participant Committee.
- B. Each member of the Participant Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Participant Committee or as a Public Director. A member of the Participant Committee may serve for multiple terms.
- C. The Participant Committee shall determine the standards and requirements for initial and continuing membership or participation eligibility; review appeals of Company staff denials of Direct Access Participant, FCM Participant and Liquidity Provider applications; and approve measures that would result in different categories or classes of Company membership. In reviewing staff denials, the Participant Committee shall not uphold any such Company staff denial if the relevant application satisfies the standards and requirements that the Participant Committee sets forth. The Participant Committee shall not, and shall not permit the Company to, restrict access

or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly situated categories or classes of Participants.

#### **Rule 2.10 Nominating Committee**

- A. The Nominating Committee shall be a standing committee of the Board consisting of at least 51 percent Public Directors, as appointed from time to time. No less than two Public Directors shall serve on the Nominating Committee.
- B. Each member of the Nominating Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Nominating Committee or as a Public Director. A member of the Nominating Committee may serve for multiple terms.
- C. The Nominating Committee shall identify individuals qualified to serve on the Board, consistent with criteria approved by the Board, and with the composition requirements set forth in the Rules or Operating Agreement. The Nominating Committee shall administer a process for the nomination of individuals to the Board. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Nominating Committee to fulfill its mandate. The Nominating Committee shall make such recommendations to the Board that will, in its judgment, best promote the interests of the Company. The Nominating Committee shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may delegate to it from time to time.

#### **Rule 2.11 Disciplinary Panel and Appeals Committee**

- A. A Disciplinary Panel shall:

1. consist of at least three members appointed by the Board, at least 35 percent of whom would qualify as Public Directors, although they are not required to be Directors. One of the Disciplinary Panel members who is qualified to be a Public Director will serve as the Chairperson, as appointed by the Board from time to time. At least one member of a Disciplinary Panel must be a Participant or an employee of a Participant. The Board may establish more than one Disciplinary Panel. The Board will appoint individuals for membership on each Disciplinary Panel. Each Disciplinary Panel shall include members with sufficiently differing experience and Participant interests such that no group or class of Participants may dominate or exercise disproportionate influence on a Disciplinary Panel. A Disciplinary Panel shall not include any members of the Company's Compliance Department, and no member of a Disciplinary Panel shall participate in adjudicating any other stage of the same proceeding reviewed by that Disciplinary Panel.
  2. be responsible for conducting hearings, rendering decisions, and imposing sanctions with respect to any Disciplinary Action. Each Disciplinary Panel shall also have such other powers and perform such other duties as set forth in the Rules and as the Board may determine from time to time.
- B. Each member of a Disciplinary Panel shall serve for a term of two calendar years from the date of his or her appointment, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of that Disciplinary Panel. A member of a Disciplinary Panel may serve for multiple terms.
- C. The Appeals Committee shall be:
1. a standing committee consisting of at least three members of the Board. The members of the Appeals Committee and its Chairperson

shall be appointed by the Board, provided that, at all times the Appeals Committee shall include at least 35 percent Public Directors.

2. responsible for reviewing decisions of Disciplinary Panels, conducting hearings as it deems appropriate, rendering decisions of such appeals, and imposing sanctions with respect to such appeals. The Appeals Committee shall also have such other powers and perform such other duties as set forth in these Rules and as the Board may determine from time to time.

- D. Each member of the Appeals Committee shall serve for a term of one calendar year from the date of his or her appointment or for the remainder of his or her term as a Public Director, as applicable, and until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Appeals Committee or as a Public Director. A member of the Appeals Committee may serve for multiple terms.

#### **Rule 2.12 Emergency Rules**

- A. During an Emergency, the Company may implement temporary emergency procedures and rules pursuant to Rule 2.12D, subject to the applicable provisions of the CEA and CFTC Regulations.
- B. The Chief Executive Officer or his or her designee and the Chief Compliance Officer or his or her designee, acting in conjunction or, if it is not possible to act in conjunction, acting alone, are authorized to determine whether an Emergency exists and whether Emergency Rules or Emergency Actions are warranted. Emergency Rules may require or authorize the Company, the Board, any committee of the Board or any Officer to take Emergency Actions, including, but not limited to, the following actions:
  1. suspend or curtail clearing of any Contract traded on a SEF or DCM that clears through the Company DCO, or limit such clearing to transactions that result in liquidations;

2. [Reserved];
  3. provide alternative settlement mechanisms for any Contract cleared by the Company DCO (including by altering the settlement terms or conditions or fixing the settlement price) or suspend the transfer of the Underlying;
  4. order the transfer or liquidation of open positions in any Contract cleared by the Company DCO; provided that if a Contract is fungible with a contract on another platform in addition to the Company, the liquidation or transfer of open interest in such Contract will be ordered only as directed, or agreed to, by CFTC staff or the CFTC;
  5. [Reserved];
  6. require Participants and Customers to meet special margin requirements;
  7. order the transfer of Contracts and the associated margin;
  8. impose or modify position limits, price limits, and intraday market restrictions; or
  9. any other action, if so directed by the CFTC.
- C. Before taking an Emergency Action, the effects of such Emergency Action on markets underlying the Contract(s) affected by such Emergency Action, on markets that are linked or referenced to such Contracts and similar markets on other trading venues, or any potential conflicts of interest shall be considered and documented as required under Rule 2.12F.
- D. Before any Emergency Rule may be adopted and enforced, the Regulatory Oversight Committee shall approve the implementation of such Emergency Rule at a duly convened meeting. If the Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Regulatory Oversight Committee can

reasonably be convened, then the Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, shall have the authority, without Board or committee action, to implement any Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, must convene a meeting of the Regulatory Oversight Committee to ratify the actions taken by the Chief Executive Officer, or his or her designee, or the Chief Compliance Officer, or his or her designee, as soon as practicable. Whenever the Company implements an Emergency Rule or takes an Emergency Action, a duly authorized representative of the Company, where possible, will inform Participants and Customers through a Participant Notice.

- E. The Company will use reasonable efforts to notify the CFTC and the Board prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not possible or practicable, the Company will notify the CFTC and the Board as soon as possible or reasonably practicable, but in any event no longer than 24 hours after implementing, modifying or terminating an Emergency Rule.
- F. Upon taking any Emergency Action, the Company will document the decision-making process related to such Emergency Action, including the process for minimizing conflicts of interest, the extent to which the Company considered the effect of its Emergency Action on the Underlying markets and on markets that are linked or referenced to the contract market and similar markets on other trading venues, and reasons for using emergency authority under this Rule 2.12. Such documentation will be maintained in accordance with Rule 2.14.



- G. The Chief Executive Officer, or his or her designee, or if the Chief Executive Officer or his or her designee is unavailable, the Chief Compliance Officer, or his or her designee, may determine that an Emergency has been reduced sufficiently to allow the Company to resume normal functioning, in which case any Emergency Actions responding to such Emergency will be terminated and a duly authorized representative of the Company will inform Participants and Customers through a Participant Notice.
- H. Participants and Customers must promptly notify the Company of any circumstance that may give rise to a declaration of an Emergency.

### **Rule 2.13 Conflicts of Interest**

- A. Named Party in Interest Conflict
  - 1. No member of the Board, Oversight Panel 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 cleared through the Company DCO; 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.

2. 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.
3. The Chief Compliance Officer shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this Rule 2.13A. Such determination shall be based upon a review of the following information:
  - a. information provided by such member pursuant to clause (2) above; and
  - b. any other source of information that is held by and reasonably available to the Company.

B. Financial Interest in a Significant Action Conflict

1. No member of the Board, Oversight Panel 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 Company or non-Company positions that could reasonably be expected to be affected by the action.
2. 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.
3. 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 2.13B. Such determination shall be based upon a review of the following information:

- a. the most recent large trader reports and clearing records available to the Company;
  - b. gross positions held at the Company in the member's personal accounts or "controlled accounts," as defined in CFTC Regulation 1.3;
  - c. gross positions held at the Company in proprietary accounts, as defined in CFTC Regulation 1.17(b)(3), at the member's affiliated firm;
  - d. gross positions held at the Company in accounts in which the member is a principal, as defined in CFTC Regulation 3.1(a);
  - e. net positions held at the Company in "customer" accounts, as defined in CFTC Regulation 1.17(b)(2), at the member's affiliated firm;
  - f. any other types of positions, whether maintained at the Company or elsewhere, held in the member's personal accounts or the proprietary accounts of the member's affiliated firm that the Chief Compliance Officer reasonably expects could be affected by the significant action;
  - g. information provided by such member pursuant to clause (2) above; and
  - h. any other information reasonably available to the Company, taking into consideration the exigency of the significant action being contemplated.
4. Any member who would otherwise be required to abstain from deliberations and voting pursuant to clause (1) above 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; provided, however, that before reaching any such determination, the deliberating body will fully consider the information specified in clause (3) above 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 in the deliberations is necessary to achieve a quorum; and
  - b. whether such member has unique or special expertise, knowledge or experience in the matter being considered.
- C. The minutes of any meeting to which the conflicts determination procedures set forth in this Rule apply shall reflect the following information:
- 1. the names of all members who participated in such meeting;
  - 2. 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;
  - 3. the information that was reviewed for each member of the relevant deliberating body; and
  - 4. any determination made in accordance with Rule 2.13A.3 or Rule 2.13B.4 above.

#### **Rule 2.14 Recordkeeping**

- A. The Company shall keep, or cause to be kept, complete and accurate books and records of accounts and activities of the Company, including all books, records and other documentation required to be maintained pursuant to the CEA and CFTC Regulations.
- B. The Company shall retain all such books and records in accordance with the CEA and CFTC Regulations.

- C. The Company will provide information required to be maintained or provided pursuant to the CEA and CFTC Regulations to the Commission, the U.S. Securities and Exchange Commission (the “SEC”), the U.S. Department of Justice or any representative of a prudential regulator as authorized by the Commission, upon request, in each case in the form and manner required under these Rules, and/or the CEA and CFTC Regulations.

#### **Rule 2.15 Information-Sharing Agreements**

- A. The Company may enter into information-sharing agreements or other arrangements or procedures to coordinate surveillance with other markets on which financial instruments related to the Contracts cleared through the Company trade. As part of any information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, the Company may:
1. provide market surveillance reports to other markets;
  2. share information and documents concerning current and former Participants, Customers, or Authorized Users with other markets;
  3. share information and documents concerning ongoing and completed investigations with other markets; or
  4. require its current or former Participants, Customers, or Authorized Users to provide information and documents to the Company at the request of other markets with which the Company has an information-sharing agreement or other arrangements or procedures.
- B. The Company may enter into any information-sharing agreements or other arrangements or procedures, including an information-sharing agreement or other arrangement or procedure similar to that described above in paragraph (A), with any Person or body (including but not limited to a Regulatory Agency or Swap Data Repository) if the Company considers

such agreement, arrangement or procedures to be in furtherance of the Company's purpose or duties under these Rules or Applicable Law.

- C. The Company may provide information to a duly authorized foreign governmental authority, as directed by the CFTC, in accordance with an information-sharing agreement or other arrangements or procedures executed with such foreign governmental authority or the CFTC.

#### **Rule 2.16 Recordkeeping and Reporting Requirements**

- A. In the event the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee, the Risk Management Committee or the Chief Compliance Officer, the Company shall maintain documentation detailing: (1) the recommendation or action of the Regulatory Oversight Committee, the Risk Management Committee or the Chief Compliance Officer, as the case may be; (2) the rationale for such recommendation or action; (3) the rationale of the Board for rejecting such recommendation or superseding such action; and (4) the course of action that the Board decided to take contrary to such recommendation or action.
- B. In the event that the Risk Management Committee rejects a recommendation or supersedes an action of any of its subcommittees, the Company shall maintain documentation detailing (1) the recommendation or action of the subcommittee; (2) the rationale for such recommendation or action; (3) the rationale of the Risk Management Committee for rejecting such recommendation or superseding such action; and (4) the course of action that the Risk Management Committee decided to take contrary to such recommendation or action.
- C. In accordance with Rule 6.7, the Company shall report all Transactions of Swaps required to be reported by the Company to a Swap Data Repository selected by the Company for such purpose within the time limits set forth in CFTC Regulations. Parties to a Transaction where reporting is required shall be responsible for any of their own reporting obligations. Participants shall include with any Order sufficient information to enable the Company

to report all Required Swap Creation Data pursuant to Part 45 of CFTC Regulations, including but not limited to the information prescribed under Rule 5.2B.10 in the Rulebooks for the Company's Designated Contract Market and Swap Execution Facility (to the extent such information is not pre-populated by the applicable Platform). Participants may provide certain data to the Company in connection with the Participant's application, such as whether the Participant is a U.S. person, swap dealer, major swap participant, or financial entity as defined in the Participant Agreement. Participants must inform the Company immediately of any change in status that would affect data to be reported to a Swap Data Repository in accordance with Rule 6.7.

- D. [Reserved]
- E. The Company shall keep and maintain books and records identifying each Order submitted to the Company and each Transaction effected pursuant to these Rules, including the identification of the execution method (e.g., central limit order book, Block Trade) with respect to each such Order and Transaction. These books and records shall be kept and maintained in accordance with the CEA and CFTC Regulations.
- F. The Company shall submit to the CFTC within thirty days after each Board election a list of the Board's Directors, the Participant interests they represent, and how the composition of the Board meets the requirements of CFTC Regulation 1.64(b) and the Company's Rules and procedures.

#### **Rule 2.17 Public Information**

- A. Accurate, complete and current copies of these Rules and Contract Specifications shall be published on the Website.
- B. The Company shall make public on a daily basis information on settlement prices, volume, open interest, and opening and closing ranges for actively traded Contracts.

- C. Except as provided herein, the Company shall publish on its Website a Participant Notice with respect to each addition to, modification of, or clarification of, the Rules, the Matching Engine, and any Contract Specification prior to the earlier of:
  - 1. the effective date thereof; and
  - 2. the filing of such change with the Commission.
- D. If confidential treatment is sought with respect to any information the Company submits to a Regulatory Agency, only the public version of such filing shall be disclosed pursuant to Rule 2.17C.
- E. Any Participant Notice shall be deemed to have been made to all Participants, and to all Customers, and any other such Person as may be required by sending such Participant Notice to the email address on file with the Company or by posting the Participant Notice on the Website.
- F. Any information published in accordance with this Rule 2.17 shall specify whether it applies to the Company DCM, and/or the Company DCO, and/or the Company SEF.



## **CHAPTER 3 Participants**

### **Rule 3.1 Jurisdiction, Applicability of Rules**

- A. ANY PERSON, INCLUDING A PARTICIPANT (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A LIQUIDITY PROVIDER), CUSTOMER, ISV, OR THEIR RESPECTIVE AUTHORIZED REPRESENTATIVES, AUTHORIZED USERS, EMPLOYEES OR AGENTS, DIRECTLY OR INDIRECTLY INITIATING, EXECUTING, AND/OR CLEARING A TRANSACTION ON THE COMPANY OR SUBJECT TO THESE RULES, ANY PERSON FOR WHOSE BENEFIT SUCH A TRANSACTION HAS BEEN INITIATED OR EXECUTED, AND/OR CLEARED, AND ANY OTHER PERSON ACCESSING THE PLATFORM: (i) AGREES TO BE BOUND BY AND COMPLY WITH THESE RULES, THE OBLIGATIONS AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO SUCH PERSON; (ii) EXPRESSLY CONSENTS AND SUBMITS 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 PERSON; AND (iii) AGREES TO ASSIST THE COMPANY IN COMPLYING WITH THE COMPANY'S LEGAL AND REGULATORY OBLIGATIONS, COOPERATE WITH THE COMPANY, THE CFTC AND ANY REGULATORY AGENCY WITH JURISDICTION OVER THE COMPANY IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING. ANY AMENDMENTS TO OR THE REPEAL OF A RULE, OR THE ADOPTION OF A NEW RULE, SHALL, UPON THE EFFECTIVE DATE OF SUCH AMENDMENT, REPEAL OR ADOPTION, AS APPLICABLE, BE BINDING ON ALL PERSONS SUBJECT TO THE JURISDICTION OF THE COMPANY, REGARDLESS OF WHEN SUCH PERSON BECAME SUBJECT TO THE COMPANY'S JURISDICTION, AND ON ALL CONTRACTS AS APPLICABLE.

- B. ALL COMPANY PARTICIPANTS AND CUSTOMERS ARE ALSO SUBJECT TO THE JURISDICTION OF THE CFTC REGARDLESS OF LOCATION, NATIONALITY, CITIZENSHIP, OR PLACE OF INCORPORATION.
- C. NO PARTICIPANT, CUSTOMER, AUTHORIZED REPRESENTATIVE, AUTHORIZED USER, OR OTHER PERSON SUBJECT TO THE COMPANY'S JURISDICTION SHALL FAIL TO COMPLY WITH AN ORDER OF THE BOARD, ANY BOARD COMMITTEE, HEARING COMMITTEE, ARBITRATION PANEL, OR COMPANY STAFF.

**Rule 3.2 Participants – Applications, Agreements, Eligibility Criteria, Classifications and Privileges**

The Company will provide fair and open access to the Platform in an impartial, transparent, and non-discriminatory manner.

- A. Each Participant shall have the right to access the Platform electronically, including the right to clear trades for its account, provided that such Participant has applied, is eligible for, and has received Trading Privileges and Clearing Privileges. To be eligible to become a Participant, an applicant must:
  - 1. complete and submit the applicable Company Participant Agreement, User Agreement, and application fee, as may be established by the Company from time to time;
  - 2. not be subject to any economic or trade sanctions programs administered by OFAC or other relevant U.S. or non-U.S. authority, and must not be listed on OFAC's List of Specially-Designated Nationals and Blocked Persons, or if applicant is an entity, not include any such person among its beneficial owners;
  - 3. for legal entity applicants: be validly organized, and in good standing, in the United States, Cayman Islands, or British Virgin Islands;

4. for natural person applicants: be a U.S. Person;
  5. as applicable, be an Eligible Contract Participant in order to clear trades executed on a SEF through the Company DCO, or to clear Block Trades executed on a DCM through the Company DCO;
  6. not be prohibited from using the services of the Company for any reason whatsoever;
  7. have a good reputation and business integrity and maintain adequate financial resources and credit;
  8. not have filed for bankruptcy and not be insolvent;
  9. if a legal entity, designate at least one Authorized User;
  10. if a legal entity, designate at least two Authorized Representatives who are responsible for supervising all activities of the Participant, its Authorized User(s) and its employees relating to Transactions, for making withdrawal requests and for providing the Company with any information the Company may request regarding such Participant; *provided*, that upon request the Company may permit a legal entity applicant to designate a single Authorized Representative in the Chief Compliance Officer's sole discretion;
  11. meet any other criteria and provide the Company with any other information the Company may request regarding the Participant; and
  12. Notify the Company promptly if any information provided in in the Participant's application, or any statement, representation, warranty, or covenant made in the Participant Agreement, ceases to be true, complete, and accurate.
- B. Additionally, for any FCM Participant to have the right to access the Platform electronically, including the right to clear Orders for each of its Proprietary Accounts or Customer Accounts, the FCM Participant shall:

1. be validly organized in the United States and in good standing in its jurisdiction of organization;
2. be registered with the CFTC as an FCM and as a member of NFA;
3. ensure that its Customers for whom it is providing services in connection with the Company: (i) if they are natural persons, are U.S. Persons; and (ii) if they are entities, are validly organized and in good standing in the United States, Cayman Islands, or British Virgin Islands;
4. maintain equipment and back-office facilities staffed with experienced and competent personnel or have entered into a facilities management agreement in form and substance acceptable to the Company, in order to assure operational adequacy and proficiency with respect to the handling of Orders, Contracts, trade executions, funds, collateral, assets and other property;
5. maintain systems that enable the FCM Participant to accept or reject each trade submitted to the Company DCO for clearing by the FCM Participant as quickly as would be practicable if fully automated systems were used;
6. maintain minimum regulatory capital in excess of any applicable capital requirements imposed on applicant by the CFTC (see, e.g., CFTC Regulations 1.12 and 1.17) and any other Regulatory Agency or SRO;
7. have sufficient operational capabilities and resources to support the Platform and funds transfer requirements, including sufficient: (a) policies and procedures; (b) understanding of and support for the Contracts and transfers of funds and required collateral; (c) asset security and cyber security procedures; and (d) AML controls;

8. have sufficient ability, appropriate accounts and technical support to facilitate the clearing of Contracts, including maintenance of the requisite Collateral Accounts at all times;
  9. submit to the Company a letter confirming that the FCM will maintain all Customer Funds deposited with it in connection with trading any Contract in appropriately labeled and segregated futures account(s) and/or cleared swaps customer account(s), as required by Commission regulations (including, without limitation, CFTC Regulations 1.3, 22.1, and 22.2, and CEA sections 4d(a) and 4d(b), or 4d(f) as applicable);
  10. if the FCM applicant seeks to facilitate trading on the Company SEF or another SEF that clears through the Company DCO, agree to confirm that each Customer trading through such SEF represents that it is an ECP;
  11. if the FCM applicant seeks to facilitate Block Trades for one or more Customers on the Company DCM, agree to confirm that each Customer executing a Block Trade represents that it is an ECP;
  12. meet any other criteria or complete any additional applications that the Company may request; and
  13. ensure that the FCM Participant, its Authorized Representatives, and its Authorized Users are not statutorily disqualified under the CEA and CFTC Regulations.
- C. Prior to becoming an FCM Participant, FCM applicants must also submit to the Company: (i) a guarantee agreement on a form prescribed by the Company defining the FCM Participant's obligation to financially guarantee the applicant's Orders and Transactions and those of the applicant's Customers, signed by the FCM Participant; and (ii) an agreement authorizing the Company to unilaterally debit any Collateral Accounts in

accordance with these Rules and Company policies and procedures, in amounts solely determined by the Company.

- D. Submission of a Participant Agreement to the Company constitutes the applicant's agreement to be bound by the Rules and the published policies of the Company.
- E. No person affiliated, within the meaning of Section 5b(c)(2)(O) of the CEA, with a director of the Company or a Participant (for purposes of this Rule, an "affiliate") shall meet criteria for refusal to register a person under Section 8a(2) of the CEA; unless the Risk Management Committee finds that there are special circumstances warranting the waiver of such disqualification with respect to the affiliate.
  - 1. With respect to affiliates, the Board shall be entitled to rely on a representation from the relevant director or Participant that, to the best of such person's knowledge, none of its affiliates is subject to disqualification pursuant to the Company's fitness standards and that such person will notify the Company if at any time such director or Participant becomes aware that any such affiliate fails to meet the fitness standards.
  - 2. Section 5b(c)(2)(O)(ii)(IV) of the CEA requires each DCO to establish Fitness Standards for persons with direct access to the settlement or clearing activities of the DCO ("Access Persons"). The only persons with such access are Participants.
- F. Applicants for Participant status of the Company may withdraw their applications at any time without prejudice or without losing their right to apply at a future time.
- G. Company staff may, in its sole discretion, approve, deny, or condition any Participant's application or status as a Participant as Company staff deems necessary or appropriate.

1. In the event that Company staff decides to decline or condition an application for admission as a Participant, or to terminate a Person's status as Participant, Company staff shall notify such Person thereof in a written notice sent to the address provided by the Person in the Participant Agreement or maintained in the Company's registry of Participants. The written notice will specify the basis for the Company's decision. Such Person may, within 28 Business Days, request in writing that the Participant Committee reconsider the determination.
  2. Within 28 Business Days of receiving a request for reconsideration, the Participant Committee shall confirm, reverse or modify the denial, condition or terminate the Participant status of such Person, and shall promptly notify such Person accordingly in writing. The Participant Committee may, in its sole discretion, schedule a hearing (in person or by teleconference), request additional information from such Person or establish any other process that it believes is necessary or appropriate to consider the request for reconsideration.
  3. The Participant Committee's decision is the final action of the Company and is not subject to appeal within the Company.
- H. Upon approval by the Company of a Participant's application, the applicant will be deemed to be a Participant, and shall continue to comply with all applicable eligibility criteria in this Rule or as the Company may require, and shall have the following privileges, which the Company may revoke, amend, or expand in accordance with, or by amending, these Rules:
1. Clearing Privileges.
  2. The privilege to clear Transactions on behalf of Customers, if approved as an FCM Participant; and
  3. [Reserved]

4. The privilege to distribute Company data to its Customers pursuant to any data distribution agreement with the Company.
- I. The Company will apply Participant access criteria in a fair and non-discriminatory manner that is not anti-competitive.

### **Rule 3.3 Participant Obligations**

- A. Each Participant and any Authorized Representatives or Authorized User(s) thereof, must comply with these Rules, the Participant Agreement, applicable provisions of the CEA and relevant CFTC Regulations. Each Participant, Authorized Representative, and any Authorized User(s) thereof also must cooperate promptly and fully with the Company, its agents, and 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 and its Customers, including their respective Authorized Representatives and/or Authorized User(s) in any referenced market that provides the underlying prices for any Company market. If any Participant or Authorized User thereof fails to satisfy any Obligation, the Company may revoke or suspend the Participant's privileges in full or in part. Each Participant also may be subject to civil or criminal prosecution.
- B. Each Participant consents to allow the Company to provide all information the Company has about the Participant, including the Participant's and Customers' trading activity, to the CFTC or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information-sharing agreements or other arrangements or procedures or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals without notice to the Participant.
- C. Each Participant consents to the Company providing information related to Know Your Customer or Anti-Money Laundering to Settlement Banks or potential Settlement Banks.



- D. Each Participant must establish and maintain cyber security policies and procedures to protect each such Participant's systems, including, but not limited to, any API.
- E. Each Participant must represent to the Company that each such Participant has established and maintains an account to hold any applicable funds and collateral and will adhere to the Company's collateral transfer procedures. Each Participant agrees to provide and accept collateral when required to do so by the Company.
- F. Each Participant, upon a request of the Company or any Regulatory Agency, must promptly respond to any requests for information, including by providing any necessary information for the Company to perform any of the functions described in the CEA, including, without limitation, information about its Customers, Authorized Representatives and Authorized Users.
- G. Transfer Trades. Participants may request permission to transfer open trades and positions pursuant to DCO Rule 11.13.
- H. Participant and Customer Recordkeeping:
  - 1. Swaps. With respect to each Contract that is a Swap (including Binary Options), each Participant and Customer must prepare, maintain, keep current and retain those books and records for the life of each Swap, including records of the instrument used as a reference price, underlying commodities and related derivatives market, for five years following the termination of such Swap, and any other books and records required by these Rules, the CEA and the CFTC's Regulations for the time period required by these Rules, the CEA and the CFTC's Regulations.
  - 2. Futures Contracts. With respect to each Contract that is a futures contract (including any option on a futures contract), each Participant and Customer must prepare, maintain, keep current and retain those books and records of the trading activity, including records of the

instrument used as a reference price, underlying commodities and related derivatives market, for five years following execution of the Contract, and any other books and records required by these Rules, the CEA and the CFTC's Regulations for the time period required by these Rules, the CEA and the CFTC's Regulations.

3. The books and records required to be kept under subparagraphs 1 and 2 above shall be readily accessible for inspection and promptly provided to the Company, its designated Self-Regulatory Organization, the CFTC, the U.S. Securities and Exchange Commission 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.
- I. Each Participant must immediately notify the Company in writing upon becoming aware:
    1. that the Participant, any of the Participant's officers or any of the Participant's Authorized Users has had trading or clearing privileges suspended, access to, or membership or clearing membership in any Regulatory Agency denied;
    2. that the Participant, any of the Participant's officers 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, or with the CFTC, as applicable;
    3. that the Participant, any of the Participant's officers or any of the Participant's Authorized Users has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court, or with the CFTC, as applicable, which involves:
      - a. embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, 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 or securities;
  - 4. that the Participant, any of the Participant's officers 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 Regulatory Agency;
  - 5. of any other material change in any information contained in the Participant's application, including any failure to continue to meet the requirements to be an Eligible Contract Participant, or any change in status as a swap dealer, major swap participant or financial entity;
  - 6. 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;
  - 7. of information that concerns any financial or business developments that may materially affect the Participant's ability to continue to comply with applicable participation requirements;
  - 8. as applicable to FCM Participants, of becoming subject to early warning reporting under CFTC Regulation 1.12; or
  - 9. as applicable to FCM Participants, of any failure to segregate or maintain adequate Customer Funds as required by the CFTC and CFTC Regulations.
- J. Each Participant must diligently supervise all activities of the Participant's employees and/or agents, including all Authorized Users and Authorized Representatives, relating to Orders, Transactions and communications with the Company. Any violation of these Rules by any employee, Authorized Representative or Authorized User of a Participant may constitute a violation of the Rules by such Participant.

- K. Each Participant must inform the Company of: (i) its LEI, if applicable, (ii) any change to its email address within 24 hours after such change; (iii) any changes to the regulatory registration information of the Participant's Authorized Users within two Settlement Bank Business Days of such change; and (iv) any changes to other information provided in the Participant's application and as required by the Participant Agreement promptly after any such change. Participants required to have LEIs must maintain an active LEI at all times.
- L. Each FCM Participant also must:
1. Comply with the financial and reporting requirements set forth by the Commission and the NFA, including the requirements contained in Commission Regulations 1.10 and 1.17.
  2. Submit to the Company a monthly Form 1-FR-FCM or a FOCUS Report and supplementary information schedule, in the form prescribed by the CFTC, including an unaudited monthly Form 1-FR-FCM or FOCUS Report as of the FCM Participant's fiscal year-end, within the time set forth in CFTC Regulation 1.10. An FCM Participant must include with its Form 1-FR-FCM or FOCUS Report a Statement of Income (Loss) for the period between the date of the most recent 1-FR-FCM or FOCUS or, at the option of the FCM Participant, the most recent certified 1-FR-FCM or FOCUS filed with the Company and the date for which the report is made.
  3. Submit to the Company a certified Form 1-FR-FCM or FOCUS Report as of the FCM Participant's fiscal year-end within the time requirements set forth in CFTC Regulation 1.10. An FCM Participant must include with its certified Form 1-FR-FCM or FOCUS Report, a reconciliation from the certified Form 1-FR-FCM or FOCUS Report to the monthly Form 1-FR-FCM or FOCUS Report as of the same date or a statement that no material differences were noted.

4. Submit to the Company reports listing the names of all banks, trust companies, FCMs, DCOs, or any other depository or custodian holding futures customer funds as of the fifteenth day of the month (or the first business day thereafter), and as of the last business day of the month, including all applicable details required by CFTC Regulation 1.32(f).
5. Require Customers to maintain and provide to the FCM Participant, and to the Company upon request, information identifying all Authorized Users who are permitted to enter orders on behalf of such Customer's Account, including, but not limited to, the individual's name, taxpayer or other identification number, affiliation to the Customer, address and contact information.
6. At all times maintain the financial resources at or in excess of the amount prescribed by the Company from time to time.
7. Utilize as appropriate identification credentials to identify the FCM in all its actions and activities in connection with the Company.
8. Maintain a Customer Account that holds Customer Funds with the Company and may maintain a Proprietary Account that holds the FCM Participant's proprietary funds with the Company DCO. The Company, however, shall have complete and absolute discretion as to whether any particular financial asset is accepted by it for credit to any such accounts. Prior to entering an Order for itself, each FCM Participant must ensure that it has sufficient funds, assets, collateral and other property to cover its collateral requirements under Rule 7.1, including sufficient funds in that amount on deposit in its Proprietary Account held by the Company. Each FCM Participant is responsible to the Company for payment of any deficiency in a Proprietary Account should such account be liquidated or terminated.

9. Maintain a separately identifiable Customer ID for each Customer, and provide such Customer ID with every Order submitted on the Platform on behalf of a Customer.
10. Maintain for each FCM Participant's Customer Account a separately identifiable position for each Customer based on the Customer ID that the FCM Participant transmits with each Order.
11. Make an initial deposit of funds in an amount determined by the FCM Participant, subject to the Company DCO requiring a greater amount, constituting the FCM Participant's residual interest therein, into a Customer Account for excess collateral with the Company DCO.
12. Perform all required KYC, Customer Identification Program, and AML activities for its Customers;
13. Use due diligence in receiving and handling Orders from Customers, submitting such Orders on the Platform on behalf of such Customers, responding to inquiries from Customers about their Orders and reporting back to Customers the execution of such Orders. Each FCM Participant is fully responsible (including financial responsibility) for all Orders, Transactions, trading and clearing activity in the FCM Participant's Proprietary Account(s) and Customer Account(s), even if the result of an error or security breach.
14. Only allow itself, FCM Customers, and in each case their Authorized Representatives and Authorized Users, to access or use the Service(s) of the Company.
15. Maintain policies and procedures acceptable to the Company that:
  - a. with respect to each Customer who is an individual, restricts the access of that individual Customer to any system through which such individual Customer submits instructions to the FCM Participant for transmission to the Company; and

- b. with respect to each Customer who is not an individual:
    - (1) restricts access to any system through which the Customer's Orders may be submitted to the FCM Participant for transmission to the Company to Authorized Users;
    - (2) requires the Customer, with respect to Swaps, to have and maintain an LEI, which shall be provided to the Company;
    - (3) identifies each Authorized User via authentication credentials for each Order message submitted by such Person; and
    - (4) requires the Customer to maintain, and provide to the FCM Participant, and to the Company upon request, information identifying any Authorized User who has entered Orders on behalf of such Customer's account, including but not limited to the individual's name, taxpayer or other identification number, affiliation to the Customer, address and contact information.
16. Prior to accepting any Orders from a Customer for submission to the Company:
- a. Ensure and document that the FCM Participant's Customer agrees to be subject to the Company's jurisdiction and to the Company Rulebooks, and is informed of the applicable Company Rulebooks;
  - b. Ensure that its Customer has been provided with any risk disclosures required by the Company;
  - c. Ensure that its Customer has been informed of the Company DCO's collateral requirements;
  - d. Ensure, and certify to the Company that its systems have the capacity to ensure, that the FCM Participant has deposited sufficient Customer Funds to the Company DCO's applicable Customer Account to cover the Company DCO's collateral requirements for the trading of that Customer in accordance

with Rule 7.1, which capacity shall be demonstrated to the Company's satisfaction, and should the features of that system change in any material respect, which shall be re-certified to the Company and re-demonstrated to the Company's satisfaction; and

- e. Ensure that each of its Customers has sufficient funds, assets, collateral and other property with the FCM Participant to cover the Company DCO's collateral requirements under Rule 7.1 with respect to that Customer's trading. Such property may include unrealized gains (minus unrealized losses) on Contracts at the Company DCO.

17. With respect to the Associated Persons or employees of that FCM Participant:

- a. Be responsible for diligently supervising its Associated Persons' or employees' compliance with all Company Rules;
- b. Maintain a complete and accurate list of all Associated Persons or employees of the FCM Participant, which list shall be promptly provided to the Company upon request;
- c. Ensure that its Associated Persons and employees comply with Company Rules;
- d. Ensure that its Associated Persons and employees are bound by Company Rules to the same extent as if such person were a Participant; and
- e. Accept responsibility for the acts and omissions of its Associated Persons and employees, and accept liability for any fines imposed upon such Associated Persons or employees by the Company. Any violation of a Company Rule by any such Associated Persons or employee may be considered a violation by the FCM Participant.



18. Make and file reports in accordance with CFTC Regulations in a manner and form and at such times as may be prescribed by the Commission.
19. Make and file reports with the Company at such times, in such manner and form, and containing such information as the Company may prescribe from time to time.
20. Invest Customer Funds only in accordance with CFTC Regulations 22.2(e)(1) and 1.25, to the extent an FCM Participant invests Customer Funds.
21. Prepare, maintain and keep current those books and records required by the Rules of the Company, the CEA, and CFTC Regulations. Such books and records shall be open to inspection and promptly provided to the Company, its Designated Self-Regulatory Organization (“DSRO”), the Commission and/or the U.S. Department of Justice and/or the U.S. Securities and Exchange Commission, upon request.
22. Inform and make available to Customers the following information, all of which is publicly available on the Company’s Website:
  - a. The Company’s Rulebooks;
  - b. Contract Specifications; and
  - c. Participant Notices.

#### **Rule 3.4 Customer Obligations**

- A. Each Customer of an FCM Participant, and its Authorized Representative(s) and Authorized User(s), is subject to the Company’s jurisdiction, is required to adhere to all rules of the relevant FCM, and must comply with these Rules as amended from time-to-time, applicable provisions of the CEA, and relevant CFTC Regulations.

- B. Each Customer shall enter into a written agreement with the FCM Participant authorizing the FCM Participant to act on the Customer's behalf with respect to every act and consent permitted or required by the Company Rulebooks.
- C. Each Customer shall diligently supervise all the activities of its Authorized Representative(s) and Authorized User(s), including, without limitation, activities relating to Orders, Transactions, and communications with the Company. Each Customer shall be responsible for the acts of its Authorized Representative(s) and Authorized User(s), and any violation of these Rules by such Persons may constitute a violation of the Rules by the Customer.
- D. The status of each FCM Customer, and its Authorized Representative(s) and Authorized User(s), may be limited, conditioned, restricted or terminated in the Company's discretion.
- E. Customers must adhere to all relevant Position Limits and Position Accountability Levels, including if the Customer has accounts with multiple FCMs or is also a Direct Access Participant.
- F. Each Customer, and its Authorized Representative(s) and Authorized User(s), must cooperate promptly and fully with the Company, its agents, and the CFTC in any investigation, call for information, inquiry, audit, examination, or proceeding. Upon a request of the Company or any Regulatory Agency, each Customer must promptly respond to any requests for information, including by providing any necessary information for the Company to perform any of the functions described in the CEA, including, without limitation, information about Authorized Representatives and Authorized Users. If a Customer or its Authorized Representative(s) or Authorized User(s) fails to satisfy any Obligation, the Company may revoke or suspend the applicable Company privileges in full or in part, and take such other action(s) as may be appropriate.
- G. Each Customer, and its Authorized Representatives and Authorized Users, consents to allow the Company to provide all information the Company has

about them, including, without limitation, trading activity, to the CFTC or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information-sharing agreements or other arrangements or procedures or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals without prior notice.

### **Rule 3.5 Customer Account Requirements**

- A. FCM Participants must comply with the requirements set forth in Parts 1 and 22 of CFTC Regulations. This includes, but is not limited to, the following:
1. Maintaining sufficient funds at all times in its customer accounts to comply with the above referenced CFTC Regulations.
  2. Maintaining a complete list of all 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 house.
  3. Each FCM Participant, if carrying an omnibus account, shall at all times reflect in its records the gross long and short positions held in such omnibus account.
  4. Each FCM Participant that maintains an omnibus account with another FCM Participant shall also bear financial responsibility to the Company for that omnibus account.
  5. Computing, recording and reporting completely and accurately the balances in the Statement of Segregation Requirements and Funds in Segregation and the Statement of Segregation Requirements and Cleared Swaps Customer Collateral Held in Cleared Swaps Customer Accounts.

6. Obtaining satisfactory futures account and/or cleared swaps customer account acknowledgment letters and identifying its futures account(s) and/or cleared swaps customer account(s) as such.
  7. Preparing complete and materially accurate daily segregated futures account and cleared swaps customer account computations, as applicable, in a timely manner.
- B. All FCM Participants must submit a daily segregated futures account statement and a cleared swaps customer account statement, as applicable, through Company-approved electronic transmissions by 12:00 noon on the following Settlement Bank Business Day.
  - C. For each Customer of an FCM Participant, the FCM and Company shall track the positions of that FCM's Customer within the Customer Account at the Company DCO.
  - D. [Reserved]
  - E. [Reserved]
  - F. FCM Participants must provide the Company's Compliance Department with access to Customer Account information in a form and manner prescribed by the Company.

### **Rule 3.6 Customer Funds Maintained with the Company**

- A. All Customer Funds deposited with the Company on behalf of Customers shall be held in accordance with Parts 1 and 22 of the CFTC Regulations in an account identified as a Customer Segregated Account or a Cleared Swaps Customer Account, as applicable. Such Customer Funds shall be segregated by the Company and treated as belonging to such Customers of FCM Participants. Pursuant to this rule, an FCM Participant shall satisfy the acknowledgment letter requirement of Rule 3.5A.6.

### **Rule 3.7 Dues, Fees and Expenses Payable by Participants and Customers**

- A. Participants are not required to pay dues.

- B. Participants and Customers may be charged fees in connection with Clearing Privileges in such amounts as may be revised from time to time. Fees and any revisions to such fees will be provided on the Website and in Participant Notices.
- C. Participants and Customers may be charged fees for settlement of Contracts at expiration or for storage of Digital Currencies in an amount to be reflected from time to time on the Website and in Participant Notices.
- D. The Company or a Settlement Bank may also unilaterally deduct from a Collateral Account fees or expenses incurred in connection with a Participant's or Customer's trading or account activity, and any other fees or charges in accordance with these Rules, such as attorney's fees, fees for wire transfers or check processing via electronic check, or storage or other fees or expenses related to Trading or Clearing Privileges. All such fees shall be charged in an amount to be reflected from time to time on the Website and in Participant Notices.
- E. If the Company determines in the future to impose dues or additional fees, the Company shall notify the Participants and Customers via Participant Notice of any dues or additional fees that will be imposed at least 10 days before they take effect. Participants and Customers must promptly pay all fees and expenses as specified by the Company.

### **Rule 3.8 Communications**

- A. Recording. The Company may record communications (including, without limitation, keystrokes or messages submitted by FCM Participants) and retain copies of electronic communications between or among Company Officials, Participants, Customers, and/or any of their Authorized Users, Authorized Representatives or other agents. Any such recordings may be retained by the Company in such manner and for such periods of time as the Company may deem necessary or appropriate. Such recordings may be provided to any governmental, regulatory, or self-regulatory organization body in accordance with Applicable Law. The Company shall retain such

records for the retention periods necessary to comply with CFTC Regulation 1.35 or such longer period as the Company deems appropriate.

- B. Electronic Delivery. All communications between or among the Company, Participants, Customers, and their Authorized Representatives or agents, may be transmitted by electronic mail, including (without limitation) applicable tax forms, and shall be deemed received immediately unless otherwise specified in these Rules. Participants and Customers are responsible for promptly reviewing, and if necessary, responding to all electronic communications from Company.

### **Rule 3.9 Independent Software Vendors**

- A. A person seeking to act as an Independent Software Vendor must satisfy the Company's technological integrity requirements, complete the necessary ISV application and access documentation, consent to the jurisdiction of the Company, agree to not adversely affect the Company's ability to comply with Applicable Law, and agree to abide by Applicable Law and these Rules, including without limitation, audit trail and Order entry requirements with respect to Orders submitted through the connectivity provided by the ISV. Access to the Company by an ISV shall be provided pursuant to criteria that are impartial, transparent and applied in a fair and non-discriminatory manner. Persons seeking access to the Company through an ISV must themselves be Participants or Customers to have such access. ISVs shall be subject to fees as reflected from time to time on the Website and in Participant Notices.
- B. Each ISV must immediately notify the Company in writing upon becoming aware:
  - 1. that the ISV or any of the ISV's officers 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, or with the CFTC, as applicable;

2. that the ISV or any of the ISV's officers has been convicted of, plead guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court, or with the CFTC, as applicable, which involves:
    - a. embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, 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 or securities;
  3. that the ISV or any of the ISV's officers has been subject to, or associated with a firm that was subject to, regulatory proceedings before any Regulatory Agency;
  4. of any other material change in any information contained in the ISV's application;
  5. 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; and
  6. of information that concerns any financial or business developments that may materially affect the ISV's ability to continue to comply with applicable Company requirements.
- C. Each ISV must inform the Company of: (i) any change to its email address within 24 hours after such change; and (ii) other information provided in its application for ISV status within five days after any such change.

#### **Rule 3.10 Additional Account Provisions**

- A. For each Direct Access Participant, the Company DCO shall establish and maintain a Direct Access Participant Account. The Company, however, shall have complete and absolute discretion as to whether any particular

financial asset is accepted by it for credit to any Direct Access Participant Account.

B. [Reserved]

C. With respect to any Digital Currency, including, but not limited to, Bitcoin and Ether, which is or may be credited to any Participant Account or Customer Account, the following terms and conditions shall apply:

1. For purposes of creating a “security entitlement” as such term is defined in Section 8-102(a)(17) of the UCC, the Company and the Participant agree, and the Company and the Customer agree, that: (1) the Digital Currency and any Digital Currency wallet maintained by the Company shall be treated as a “financial asset” as such term is defined in Section 8-102(a)(9) of the UCC; and (2) each Participant shall be treated as an “entitlement holder” as such term is defined in Section 8-102(a)(7) of the UCC.
2. Each Participant or Customer acknowledges that the Company is a “securities intermediary” as such term is defined in Section 8-102(a)(14) of the UCC.
3. For each Participant, the Company undertakes to treat the Participant as entitled to exercise the rights that comprise each financial asset credited to its account. For Customer Accounts, the Company undertakes to treat each FCM Participant as entitled to exercise the rights that comprise each financial asset which is credited to a Customer Account on behalf of its Customers.
4. Any Digital Currency which a Direct Access Participant or FCM Participant (for its Customer) desires be credited to such Participant’s Participant Account or Customer Account shall be transferred to a Digital Currency wallet designated by the Company and upon such transfer the Company shall indicate the credit by book entry.



- D. The Company shall have only such duties and obligations with respect to each account it carries as are set forth in Article 8 of the UCC or otherwise mandated by Applicable Law. Each Participant and each Customer acknowledges and agrees that the Company is not a fiduciary for any Participant or Customer.

### **Rule 3.11 Withdrawal of Participant**

- A. To withdraw from the Company, a Participant must notify the Company of its intent to withdraw. Such withdrawal shall be accepted immediately upon receipt of such notice by the Company and shall be effective upon such Participant's fulfillment of its obligations under paragraph (C) below and satisfaction of Rule 3.13 for FCM Participants, or at such other time as the Company may determine in its reasonable discretion is desirable for the efficient operation of the Company.
- B. When the Company accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including, without limitation, Clearing Privileges) except as set forth in paragraph (C) below. The accepted withdrawal of a Participant shall not affect the rights of the Company under these Rules or relieve the former Participant of such Participant's obligations under the Company Rules before such withdrawal. Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the Company Rules, the Obligations and the jurisdiction of the Company for acts done and omissions made while a Participant, must comply with paragraphs (C) and (D) below, must cooperate in any Disciplinary Action under Chapter 9 as if the withdrawn Participant were still a Participant, and must comply with requests for information from the Company regarding activities and obligations while a Participant for at least five years following its withdrawal.
- C. A Participant that has delivered a withdrawal notice pursuant to paragraph (A) above shall be subject to the following requirements, obligations and provisions:

1. it must use all reasonable endeavors to close out or transfer all open positions in its account(s) and each of its Customer Accounts, as applicable, within 30 days after the Participant has delivered a withdrawal notice pursuant to paragraph (A) (the “wind-down period”);
  2. after delivering a withdrawal notice pursuant to paragraph (A), it shall only be entitled to submit transactions for clearing which it can demonstrate have the overall effect of reducing open positions;
  3. if it has any open positions with the Company DCO (whether in its account(s) or any Customer Account) after the wind-down period, the Participant shall be subject to the Company DCO exercising rights to liquidate or transfer the open positions of the Participant.
- D. Any withdrawal notice delivered by a Participant pursuant to paragraph (A) above shall be irrevocable by the Participant and membership may only be reinstated pursuant to a new application for membership following the close-out or transfer of all open Contracts in its account(s) and each of its Customer Accounts, as applicable.

### **Rule 3.12 FCM Participant Additional Obligations**

#### **A. Transaction Confirmations**

1. An FCM Participant servicing Customer Accounts shall confirm to the Customer every transaction made for the Customer no later than the following Business Day. Such confirmation shall be in electronic or written form and shall show the Contract bought or sold, the quantity and the price, and Settlement Date (and settlement time if applicable).

#### **B. Restriction on or Termination of Clearing Privileges**

1. If an FCM Participant’s status is revoked, or if the Company DCO determines that the financial or operational condition of a FCM Participant or one of its affiliates is such that to allow the FCM

Participant to continue its operation as a FCM Participant could adversely affect the Company DCO or cleared markets (whether or not such FCM Participant continues to meet the required minimum financial requirements, if applicable), the Company DCO may:

- a. Allow such FCM Participant (in the case of a FCM Participant handling Customer Accounts) to submit Contracts for clearing solely for any account established by a FCM Participant in which the FCM Participant maintains trades, positions and margin collateral in accordance with Rules 7.1, 7.2, 7.3, and 7.4 solely on its own behalf.
- b. Limit or restrict the type of Contracts that may be cleared by such FCM Participant in any of its Accounts with the Company DCO;
- c. Limit or restrict the number of Contracts that are permitted to be maintained by such FCM Participant in any of its Accounts with the Company DCO;
- d. Decline to accept new trades or positions in Contracts for the Accounts of the FCM Participant;
- e. Increase the FCM Participant's collateral requirements and/or require such FCM Participant to deposit the same in cash in proportions different than those that are applicable to FCM Participants generally;
- f. Allow such FCM Participant to submit Contracts for liquidation only;
- g. Prohibit such FCM Participant from withdrawing excess collateral;
- h. Cause open Contracts to be transferred to another FCM Participant;
- i. Cause open Contracts to be settled in cash or liquidated;

- j. Impose such additional capital, margin collateral, financial reporting or other requirements as the Company DCO shall deem appropriate for the protection of the Company DCO and its Participants;
  - k. Terminate the FCM Participant's status as a Participant of the Company DCO; or
  - l. Take any other actions it deems proper or in the best interest of the Company DCO or its Participants.
- C. All FCM Participants must provide immediate written notice to the Compliance Department when an FCM Participant knows or should have known of:
  - 1. A failure to maintain sufficient Customer Funds in its customer accounts or the DCO's applicable Customer Accounts to comply with applicable CFTC Regulations;
  - 2. Any reduction in adjusted net capital of 20 percent or more as reported on its Form 1-FR-FCM or net capital as reported on its FOCUS Report from the most recent filing of such report;
  - 3. Any failure of the FCM Participant to remain in compliance with the minimum capital or "early warning" requirements of any Regulatory Agency, Self-Regulatory Organization, or the Company;
  - 4. 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;
  - 5. Any planned material 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 Company 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;

6. Any change in the FCM Participant's fiscal year or its public accountants;
7. If any Person directly or indirectly becomes a 5% direct owner of the FCM Participant;
8. 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
9. Any material external audit findings (including reviews by the FCM Participant's designated Self-Regulatory Organization).

D. All FCM Participants must provide at least thirty days prior written notice (unless it is impractical to do so, in which case it shall provide written notice as promptly as possible), to the Compliance Department when an FCM Participant knows or should have known of:

1. 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;

2. 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;
  3. The sale of all or a significant portion of the FCM Participant's business or assets to another Person;
  4. A change in the direct or indirect beneficial ownership of 20% or more of the FCM Participant;
  5. Any change in the FCM Participant's systems provider or facilities manager used by the FCM Participant to process transactions in Contracts; or
  6. Any planned changes to the FCM Participant's risk management processes or systems.
- E. Company staff may prescribe additional Customer Account requirements.

**F. Disaster Recovery & Business Continuity Planning**

1. Each FCM Participant shall 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:
  - a. The FCM Participant 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. The FCM Participant 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; and

- b. The FCM Participant must maintain and, at the request of the Company, provide accurate and complete information for its key personnel. An FCM Participant must inform the Company in a timely manner whenever a change to its key personnel is made.
- 2. 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 Company or the Company DCM also participates.

### **Rule 3.13 Withdrawal of FCM Participant**

Notwithstanding any other provision of the Rules, an FCM Participant that has delivered an FCM Participant Withdrawal Notice, or whose status as a clearing member has been terminated by the Company DCO, shall be subject to the following requirements, obligations and provisions:

- A. An FCM Participant must use all reasonable endeavors to close out or transfer all open positions in its Proprietary Account(s) and Customer Account(s) prior to the FCM Participant Withdrawal Close-Out Deadline Date;
- B. After the FCM Withdrawal Notice Date, it shall only be entitled to submit transactions for clearing which it can demonstrate have the overall effect of reducing open positions or risks to the Company DCO, whether by hedging, transferring, terminating, liquidating or otherwise closing out Contracts;
- C. The Company DCO may call for additional collateral until such time as all such open positions have been terminated, transferred, or otherwise addressed in these Rules, and such FCM Participant shall provide to the Company DCO such additional collateral as is requested in a timely manner;

- D. As of the FCM Participant Withdrawal Close-Out Deadline Date, the Company may, within its discretion, accelerate all Obligations owed by the FCM Participant or its Customers to the Company, and close out all open Contracts.
- E. From the FCM Participant Withdrawal Close-Out Deadline Date until such time as the FCM Participant and its Customers have no open positions held by the Company DCO or other financial obligations to the Company, the FCM Participant shall remain:
1. liable for further Obligations in the same way as any other clearing member in respect of any Default occurring prior to the date such open positions and other financial obligations to the Company are resolved;
  2. be subject to the Company exercising rights to liquidate or transfer the open positions of the FCM Participant and its Customers, and otherwise deal with the Contracts and property of the FCM Participant and its Customers in the same way as if the FCM Participant or its Customers were in Default of their Obligations; and
  3. remain subject to all other remedies that would otherwise be exercisable by the Company prior to service of a FCM Participant Withdrawal Notice.
- F. Within sixty (60) days after a withdrawing FCM Participant and its Customers have terminated all open positions to which either of them was a party, and the Company DCO has determined that each of them has satisfied all Obligations in respect thereof in full, the Company DCO shall return the unused collateral and other deposits in their respective accounts; provided, however, that with respect to withdrawing FCM Participant Proprietary Account(s), the Company DCO may retain those funds until such time as it determines that any other financial obligations of the FCM Participant to the Company are satisfied.



### **Rule 3.14 Affiliate Clearing Participants**

The Company may permit one or more Affiliates to hold Clearing Privileges with the Company DCO, subject to the following provisions:

- A. Affiliates will not have access to the Company's material non-public information, as defined in CFTC Regulations 1.59(a)(5) and (6); provided, however, a common director of the Company and the Affiliate, if any, may share information consistent with CFTC Regulation 1.59(d);
- B. Affiliates will not receive preferential treatment in any respect, including with respect to the Company disciplinary processes or pricing;
- C. Affiliates will be subject to the same access criteria and must abide by the same Rules as all other Participants; and
- D. Affiliates will maintain offices and information technology systems separate from the Company.

## **CHAPTER 4 Liquidity Providers**

### **Rule 4.1 Application and Agreement**

- A. Only Participants in good standing may become Liquidity Providers on the Company.
- B. To be considered for Liquidity Provider status, a Participant shall complete and execute a Liquidity Provider Agreement.
- C. The designation of any Liquidity Provider may be suspended, terminated or restricted by the Company at any time and for any reason.

### **Rule 4.2 Appointment**

- A. The Company may appoint one or more Liquidity Providers for certain of the Company's Contracts.
- B. In making such appointments, the Company shall consider:
  - 1. the financial resources available to the applicant;
  - 2. the applicant's trading activity in relevant swaps, futures, options on futures or related cash markets; and
  - 3. the applicant's business reputation and experience in market making in options and other derivative products.
- C. The Company, in its sole discretion, may appoint a Participant as a Liquidity Provider for certain Series and may appoint multiple Liquidity Providers for certain Series.
- D. No appointment of a Liquidity Provider shall be made without the Liquidity Provider's consent to such appointment.
- E. The Company shall periodically conduct an evaluation of all Liquidity Providers to determine whether they have fulfilled performance standards relating to, among other things, quality of the markets; trading activity; competitive market making; observance of ethical standards; business

reputation; and administrative and financial soundness. If the Liquidity Provider fails to meet minimum performance standards, the Company may, among other actions, suspend, terminate or restrict the Liquidity Provider's appointment.

#### **Rule 4.3 Benefits**

Liquidity Providers may receive reduced trading fees or other incentives in accordance with any Liquidity Provider program in place at the Company for fulfilling the Obligations of a Liquidity Provider as disclosed in the applicable Liquidity Provider Agreement.

#### **Rule 4.4 Obligations**

Transactions of Liquidity Providers should constitute a course of dealing reasonably calculated to contribute to the maintenance of a fair and orderly market, and Liquidity Providers shall not enter Orders or enter into Transactions that are inconsistent with such a course of dealing. Ordinarily, Liquidity Providers shall be obligated to do the following:

- A. comply with all other terms of the applicable Liquidity Provider Agreement; and
- B. make good-faith efforts to enter on the Platform current binding bid and offer quotes, with a bid/offer spread as specified in the applicable Liquidity Provider Agreement, as necessary to ensure liquidity.

## CHAPTER 5 [Reserved]

## **CHAPTER 6 Clearing and Delivery**

### **Rule 6.1 Clearance and Substitution**

- A. Upon submission of an Order, the Company will conduct a review of the Participant's Collateral Account to ensure that the Participant (on behalf of itself or its Customers, as applicable) can fully collateralize the Order prior to entering into any Transaction. If the Participant's Collateral Account does not have the necessary funds and/or collateral for the Order, the Company DCM will not accept the Order.
- B. Upon the successful matching of Orders, the Company's DCO shall immediately, through the process of Novation, be substituted as and assume the position of seller to the Participant buying and buyer to the Participant selling the relevant Contract. Upon such substitution, the buying and selling Participants shall be released from their Obligations to each other, and such Participants shall be deemed to have bought the Contract from or sold the Contract to the Company's DCO, as the case may be, and the Company's DCO shall have all the rights and be subject to all the liabilities of such Participants with respect to such Transactions. Such substitution shall be effective in law for all purposes. The buying and selling Participants of the Contract are deemed to consent to the Novation by entering the applicable Orders on the Company Platform and the Company DCO consents to the Novation by accepting the Orders on the Company Platform.
- C. Contracts with the same terms and conditions, as defined by the Contract Specifications, submitted to the Company's DCO for clearing, are economically equivalent within the Company's DCO and may be offset with each other within the Company's DCO.
- D. Upon acceptance of a Contract by the Company's DCO for clearing:
  - 1. The original Contract is extinguished;

2. The original Contract is replaced by an equal and opposite Contract between the Company's DCO and each Participant; and
  3. All terms of a cleared Contract must conform to the Contract Specifications.
- E. Where an FCM Participant acts to clear a Contract made for the account of a Customer, the FCM Participant becomes obligated to the Company DCO, and the Company DCO becomes obligated to the FCM Participant, 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 Participant.
- F. If a Contract is rejected for clearing by the Company's DCO for any reason, such Contract is void *ab initio*.
- G. A written record of all of the terms of each Transaction accepted for clearing will be available immediately through the Participant Portal. Such record shall legally supersede any previous agreement and serve as a confirmation of each such Transaction. The Company will send confirmation messages to Participants upon execution of a Transaction via the API and/or Portal, if such Participants are online at the time. However, please note that if any applicable Participant is not online at the time of execution, such Participant will see the confirmation(s) when it next logs on to the Platform.
- H. Any failure to deposit and maintain USD funds or collateral in accordance with the Rules of the Company, or to withdraw USD funds or collateral as required by the Company, may be deemed a Default of an Obligation and an act detrimental to the interest or welfare of the Company.

## **Rule 6.2 Settlement of Contracts**

- A. The Company shall maintain, on its system, a record of each Participant's account balances and Contracts.
- B. On the Settlement Date, the Company will notify all Participants of any final amount payable (if applicable).
- C. [Reserved]

- D. [Reserved]
- E. After the notice period on the last trading day of an expiring Series of Contracts that are options (excluding Binary Options), the Company will cancel all such Contracts that have not been exercised from each Participant's account. A Contract that is an option (excluding Binary Options) and that has not been exercised on or before the last trading day will expire with no value in accordance with the Contract Specifications.
- F. To the extent a Participant or Customer enters into a Transaction closing an open position, or holds a position until the expiration of a Contract, the Settlement of that Transaction or Contract is not complete until the Company has transferred the resulting funds, if any, into the applicable Collateral Account, and any resulting gains (or losses) are unrealized until that transfer is complete.

### **Rule 6.3 Deposit Procedures**

- A. A Participant must submit a deposit notification through the Participant Portal before the Participant may deposit USD funds with the Company. A Participant must deposit USD funds on the same day as the Participant submits to the Company a deposit notification to the Company.
- B. Approved deposits are available for use with respect to trading on a SEF or DCM that clears through the Company DCO and with respect to Clearing Privileges, no later than the next Settlement Bank Business Day after a Participant submits a deposit notification and deposits USD funds with the Company in accordance with Rule 6.3A.
- C. Participants are responsible for all deposits to the Collateral Account.
- D. In the event a Participant deposits USD funds to the Company without submitting a deposit notification, the Participant agrees to: (1) cooperate with the Company to resolve any issues that may arise; and (2) agree that the Company will send the USD funds back to the account or address from which it was transferred promptly if there has been no resolution.

## **Rule 6.4 Withdrawal Procedures**

- A. Only a Participant, or its Authorized Representative(s) or its Authorized User(s), may submit a withdrawal notification through the Participant Portal before the Company transfers funds or Underlying to a Participant or a Customer. Upon receipt of a withdrawal notification, the Company no longer permits funds or Underlying in the amount listed in the withdrawal notification to be used for Clearing Privileges.
- B. Participants, or their Authorized Representative(s) or Authorized User(s), are responsible for providing accurate account numbers or wallet addresses, as the case may be, to allow the Company to effect transfers to the Participants or Customers.
- C. Withdrawals occur, and funds and Underlying are available, promptly after a Participant, or their Authorized Representative(s) or Authorized User(s), has submitted a withdrawal notification if the withdrawal notification is submitted during Trading Hours.
- D. With respect to withdrawals of Digital Currency collateral, the Company shall deliver to the Participant, or its Authorized Representative(s) or Authorized User(s), a cryptographically signed Digital Currency transaction, which shall include the two signatures, the Company “from” address, the “to” address and the appropriate Digital Currency withdrawal amount.
- E. If a Participant, or its Authorized Representative(s) or Authorized User(s), fails to adhere to the withdrawal procedures set forth herein or in the Contract Specifications, as applicable, the Company will take reasonable measures to effect the withdrawal; however, if unable to effect the withdrawal, the relevant collateral may become the sole property of the Company, to the extent permitted by Applicable Law. The Company may apply the collateral (including any Underlying held in such Participant’s Participant Account or Customer Account) against the Participant’s Obligations.



- F. An FCM Participant may not permit the withdrawal of funds or collateral from a Customer Account if such withdrawal will result in the account having less than the margin required under Rule 7.1.

#### **Rule 6.5 [Reserved]**

#### **Rule 6.6 Reconciliation**

- A. The Company shall reconcile the positions and cash and collateral balances in the accounts of each Participant, and in the Customer Account for each FCM Participant, at the end of each Settlement Bank Business Day. The Company shall make available to each Participant those positions and cash and collateral balances. All Participants shall be responsible for reconciling their records of their proprietary and Customer positions and cash and collateral balances with the balances reported by the Company.
- B. Each FCM Participant shall maintain an adequate accounting system, internal accounting controls, and procedures for safeguarding Customer and FCM Participant assets, where applicable. This includes, but is not limited to, the following:
  - 1. Preparation and maintenance of complete and accurate reconciliations for all accounts; and
  - 2. Resolution of reconciling items in a timely manner.

#### **Rule 6.7 Swap Data Reporting**

- A. The Company shall report, as required, Regulatory Swap Data for Swaps to a single Swap Data Repository for purposes of complying with the CEA and applicable CFTC Regulations governing the regulatory reporting of swaps. The Company shall report all data fields as required by Appendix A to Part 43 of CFTC Regulations and Appendix 1 to Part 45 of CFTC Regulations, as applicable, including, but not limited to, Swap counterparties, Contract type, option method, option premium, LEIs, User IDs, buyer, seller, UTIs, unique product identifiers, underlying asset description, the Swap price or yield, quantity, maturity or expiration date,

the size, settlement method, execution timestamp, timestamp of submission to the SDR, the CTI Code, Participant Accounts, and whether a Participant is a swap dealer, major swap participant or a financial entity. The Company shall identify each counterparty to any Transaction in all recordkeeping and all Regulatory Swap Data reporting using a single LEI as prescribed under CFTC Regulation 45.6. As soon as technologically practicable after execution, the Company also shall transmit to both Swap counterparties the UTI for the Swap created pursuant to CFTC Regulation 45.5 and the identity of the SDR. For Swaps involving allocation, the Company will transmit the UTI to the Reporting Counterparty and the agent as required by CFTC Regulation 45.5(d)(1).

- B. The Company shall from time to time designate a Swap Data Repository in respect of one or more Swaps and shall notify Participants of such designation.
- C. Participants that become aware of an error or omission in Regulatory Swap Data for a Transaction shall promptly submit corrected data to the Company. Participant shall not submit or agree to submit a cancellation or correction in order to gain or extend a delay in public dissemination of accurate Swap Transaction and Pricing Data or to otherwise evade the reporting requirements of Part 43 of CFTC Regulations. The Company will report any errors or omissions in Regulatory Swap Data to the same SDR to which it originally submitted the Data, as soon as technologically practicable after discovery of any such error or omission.
- D. The Company sends the Regulatory Swap Data as set forth in Rule 6.7A to the Swap Data Repository in accordance with CFTC Regulations, or pursuant to the Company Rules. Following the transmittal of the Data to the Swap Data Repository, the Company will make available the Swap Transaction and Pricing Data to all Participants and Customers, accessing the Platform. However, due to transmission and posting timing of the Swap Data Repository, Participants should be aware that the Swap Transaction

and Pricing Data may be available on the Company Platform prior to being publicly disseminated by the Swap Data Repository.

## **CHAPTER 7 Margin**

### **Rule 7.1 Full Collateralization of Contracts Required**

Each Participant, on behalf of itself and its Customers, shall deposit and maintain with Company DCO the USD funds required to fully collateralize Orders pursuant to Contract Specifications, including payment of premiums and payment of settlement obligations, as applicable, prior to submission of such Orders to the Company. Collateral transfers made by a Participant (on behalf of itself or its Customers) to the Company DCO or by the Company DCO to a Participant are irrevocable and unconditional when effected. A Participant (on behalf of itself and its Customers) shall, at all times, maintain with the Company DCO sufficient USD funds necessary to fully collateralize each open position in a Contract.

### **Rule 7.2 Collateral**

- A. Subject to the terms and conditions of Company-approved margin collateral, the Company will accept from Participants the following as margin collateral: (1) cash; and (2) any other form of collateral deemed acceptable by the Risk Management Committee upon the Risk Management Committee's approval of such collateral as communicated through Participant Notices and on the Website. The Company will value margin collateral as it deems appropriate.
- B. Except as otherwise provided herein, Collateral must be and remain unencumbered. Each Participant or Customer posting collateral hereby grants to the Company a continuing first priority security interest in, lien on, right of setoff against and collateral assignment of all of such Participant's or Customer's right, title and interest in and to any property and collateral deposited with the Company by the Participant or Customer, whether now owned or existing or hereafter acquired or arising, including without limitation the following: (i) such Participant's Participant Account, or Customer's Customer Account, and all securities entitlements held therein and all funds held in a Collateral Account; (ii) all Digital Currencies that, in each case, are held in or otherwise credited to a virtual "wallet" or other

account maintained by the Company; (iii) such virtual “wallet” or other account; and (iv) all proceeds of the foregoing. A Participant or Customer shall execute any documents required by the Company to create, perfect and enforce such lien.

- C. Each Participant and Customer hereby agrees that, with respect to any Digital Currency and any other financial asset which is or may be credited to the Participant’s Participant Account or Customer’s Customer Account, the Company shall have control pursuant to Section 9-106(a) and 8-106(e) of the UCC and a perfected security interest pursuant to Section 9-314(a) of the UCC.
- D. A Participant must transfer the collateral to the Company or to a Collateral Account and the Company will hold collateral transferred to the Company on behalf of the Participant. The Company will credit to the appropriate account the collateral that such Participant deposits. Collateral shall be held by the Company until a Participant submits a withdrawal notification unless otherwise stipulated by these Rules.
- E. The Company will not be responsible for any diminution in value of collateral deposited with the Company, whether for a Participant or a Customer. Any fluctuation in markets is the risk of each Participant and Customer. Any interest earned on such collateral may be retained by the Settlement Bank or the Company.
- F. The Company has the right to liquidate or close out any Participant’s or Customer’s open Contracts or non-cash collateral without prior notice to the extent the Company deems necessary, in its sole and absolute discretion, for the following purposes: (1) to fulfill otherwise unsatisfied obligations of the Participant or Customer to the Company or to other Participants or Customers; (2) to return funds to the Participant or Customer; (3) if the Person ceases to be a Participant or Customer of a Participant; (4) if the Company suspends or terminates the Participant’s Clearing Privileges; (5) if the Participant’s or Customer’s open position in any Contract becomes

insufficiently collateralized; or (6) if the Company determines that it is necessary to take such measures.

- G. Without limitation of the Company's other rights to use a Participant's collateral as permitted in these Rules, under Applicable Law or otherwise, the Company may invest any cash deposited as collateral in accordance with CFTC Regulations 1.25 and 39.15(e), and any interest, capital gain or other income earned on such investments shall belong and be credited to the Company; provided, however, that, to the extent the Company's Order of Registration as a derivatives clearing organization requires that cleared products be fully collateralized, the Company may only invest Participant cash required for such full collateralization in interest bearing U.S. bank accounts where the funds can be accessed by the Company on demand.
- H. Each Participant and Customer acknowledges that any transfer of Digital Currency is immediately irreversible once effectuated. Participants and Customers are solely responsible for designating the correct destination for Digital Currency.

### **Rule 7.3 Segregation of Participant Funds**

- A. The Company shall separately account for and segregate from the Company's proprietary funds all Participant funds used to purchase, margin, guarantee, secure or settle Contracts cleared by the Company, and all money accruing to such Participant as the result of Contracts so carried in a Collateral Account. The Company shall maintain a Direct Access Participant Account or Proprietary Account, as applicable, that will be credited with fees or other payments owed to the Company that are debited from the Collateral Account as a result of Participant trades and settlements of Contracts cleared by the Company or storage of Digital Currencies. The Company shall maintain a record of each Participant's account balances and Contracts. The Company shall not hold, use or dispose of Participant funds except as belonging to Participants.

- B. For FCM Participants, all Customer Funds deposited by an FCM Participant with the Company on behalf of Customers shall be held in accordance with the CEA and CFTC Regulation 1.20 and CFTC Regulation 22.5, as applicable, in an account identified as “Customer Segregated.” The Company shall comply with the applicable segregation requirements of Section 4d of the CEA and CFTC Regulations with respect to Customer Funds held by the Company. Such Customer Funds shall be segregated by the Company and treated as belonging to the Customers of the FCM Participant. Pursuant to this Rule 7.3B, an FCM Participant shall satisfy the segregation acknowledgment letter requirements of the CEA and CFTC Regulations 1.20 and 22.5, as applicable, for Customer deposits held at the Company. The Company will, upon request by a Customer, promptly transfer, from the Customer Account of one FCM Participant to the Customer Account of another FCM Participant, all or a portion of such Customer’s Contracts, in accordance with Rule 3.11.

#### **Rule 7.4 Concentration Limits**

The Company may apply appropriate limitations or charges on the concentration of assets posted as collateral, as necessary, in order to ensure its ability to liquidate such assets quickly with minimal adverse price effects, and may evaluate the appropriateness of any such concentration limits or charges, on a periodic basis. In the event that the Company determines in its sole discretion that the Participant’s deposit is in material excess of the amount necessary to collateralize the Participant’s Contracts, the Company shall have the right to (1) transfer non-cash collateral, including Digital Currencies, back to a Participant, and Participant agrees to accept such transfer, or (2) take other action the Company deems to be necessary to safeguard the collateral. The Company shall be entitled to charge fees related to holding non-cash collateral in material excess of the amount necessary to collateralize a Participant’s Contracts.

## **CHAPTER 8 Business Conduct and Trading Practices**

### **Rule 8.1 Scope**

This Chapter 8 applies to all Transactions except as may be provided herein. Participants, Customers, and, where applicable, Authorized Users, shall adhere to and comply fully with this Chapter 8.

### **Rule 8.2 [Reserved]**

### **Rule 8.3 [Reserved]**

### **Rule 8.4 [Reserved]**

### **Rule 8.5 Acts Detrimental to the Welfare or Reputation of the Company Prohibited**

No Participant, Customer, Authorized Representative, Authorized User or ISV shall engage in any Company activity that tends to impair the welfare, reputation, integrity or good name of the Company.

### **Rule 8.6 Misuse of the Platform**

Misuse of the Platform is strictly prohibited. It shall be deemed an act detrimental to the Company to permit unauthorized use of the Platform, to assist any Person in obtaining unauthorized access to the Platform, to trade on the Platform without an agreement, to alter the equipment associated with the Platform (except with the Company's consent), to interfere with the operation of the Platform, to intercept or interfere with information provided thereby, or in any way to use the Platform in a manner contrary to these Rules.

### **Rule 8.7 Supervision; Information Sharing**

- A. Participants and Customers shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that Authorized Users comply with these Rules and Applicable Law, and such Participant or Customer may be held accountable for the actions of such Authorized Users with respect to the Company.
- B. Participants, Customers, and Authorized Users shall cooperate fully with the Company or a Regulatory Agency in any investigation, call for information, inquiry, audit, examination or proceeding.



- C. Participants, Customers, and Authorized Users shall ensure that any information disclosed to the Company is accurate, complete and consistent. No existing or prospective Participant, Customer or Authorized User shall make any false statements or misrepresentations in any application, report or other communication to the Company.
- D. Participants, Customers, Authorized Users, and Authorized Representatives authorize the Company to make available to any governmental, regulatory, or self-regulatory body any information the Company may have concerning such Person without prior notice and release the Company from any and all liability for furnishing such information.

#### **Rule 8.8 Business Conduct**

- A. Conducting clearing activities in an honorable and principled manner consistent with these Rules is the essence of ethical conduct with respect to the Company DCM. Participants, Customers, Authorized Users and other Persons subject to the Company's jurisdiction shall act with ethical integrity with regard to their Company activity, and shall adhere to the following ethical standards:
  - 1. A Participant, Customer, Authorized User and any other Person subject to the Company's jurisdiction shall abstain from engaging in conduct that is a violation of these Rules or Applicable Law, and will conduct its business in accordance with Applicable Law, and in good faith, with a commitment to honest dealing.
  - 2. No Participant, Customer, Authorized User or other Person subject to the Company's jurisdiction shall engage in any fraudulent act or engage in any scheme to defraud, deceive, trick or mislead in connection with or related to any Company activity.
  - 3. [Reserved]

**Rule 8.9 [Reserved]**

**Rule 8.10 [Reserved]**

**Rule 8.11 [Reserved]**

**Rule 8.12 [Reserved]**

**Rule 8.13 [Reserved]**

**Rule 8.14 [Reserved]**

**Rule 8.15 [Reserved]**

**Rule 8.16 [Reserved]**

**Rule 8.17 [Reserved]**

**Rule 8.18 [Reserved]**

**Rule 8.19 Compliance**

Each legal entity Participant and legal entity Customer shall have a compliance program commensurate with the size and scope of its clearing activities on the Company DCO and designed to ensure appropriate, timely and ongoing review of trading practices and compliance with the Rules. Each Participant and Customer (if applicable) shall act in accordance with these practices for compliance and monitoring with regard to its activity:

- A. Provide for proper training of personnel on the provisions of the Rules;
- B. Maintain internal policies and procedures to promote compliance with the Rules;
- C. Promptly disclose to the Company DCM or DCO, as appropriate, the details of any violations of the Rules involving a Participant's or Customer's activities, including its own activities or those of another Participant or Customer, and a Participant or Customer shall promptly disclose to the Company DCM or DCO, as appropriate, the details of any disciplinary sanctions, fines or other related determinations made by a Regulatory Agency or another market on which such Participant or Customer trades;

- D. Provide an environment that encourages employees to engage in safe and confidential discussions and to disclose to senior management any trading practices that might violate the Rules;
- E. Require any consultant, contractor and subcontractor to disclose all financial affiliations and conflicts of interest. Ensure that consultants, contractors or subcontractors do not cause any disclosure of information in violation of the Rules, including this code of conduct, and that confidentiality agreements are in effect where appropriate; and
- F. Establish clear lines of accountability for trading practices, including provisions relating to the responsibilities of corporate officers, with appropriate oversight by the board of directors or other senior corporate management committee.

## **CHAPTER 9 Discipline and Enforcement**

### **Rule 9.1 General**

#### **A. Market Monitoring**

1. The Company shall record and store a record of all data entered into the Platform that is provided to the Company DCO, including the Participant's, the Customer's or Authorized User's identity, as applicable, information on Transactions and any other information required and in accordance with the Company's policies.
2. [Reserved]
3. The Compliance Department will conduct investigations when Compliance Department staff at any time has reason to believe that inappropriate activity of any sort is taking place on the Company DCO, Platform or Website.

#### **B. All Persons within the Company's jurisdiction, including Customers, are subject to this Chapter 9 if they are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule or any provision of Applicable Law for which the Company possesses disciplinary jurisdiction.**

#### **C. Compliance Department**

1. The Company has a Compliance Department consisting of one or more compliance staff. The Chief Compliance Officer is responsible for overseeing the Compliance Department and shall report to the Regulatory Oversight Committee, the Board, and the CEO.
2. The Compliance Department shall investigate activity that the Compliance Department has reasonable cause to believe could constitute a violation of these Rules, and shall enforce the Rules and prosecute possible Rule violations within the Company's disciplinary jurisdiction.

3. The Compliance Department shall conduct at least annual reviews of all Participants to verify compliance with Company Rules. The Compliance Department may conduct periodic reviews of all persons and firms subject to the Company's Rules to verify compliance with the Company Rules. Such reviews may include, but are not limited to, reviews of randomly selected samples of audit trail data, reviews of the process by which User ID records are maintained, reviews of usage patterns associated with User IDs, and reviews of account numbers and Customer Type Indicator codes.
- D. The Company, through the Compliance Department, Disciplinary Panel and Appeals Committee, shall 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 9. Any Person subject to the Company's jurisdiction under Rule 3.1 is subject to the Company's disciplinary authority set forth in this Chapter 9.
  - E. The Company, through the Compliance Department, will commence an investigation upon (i) the discovery or receipt of information that indicates a reasonable basis for finding that a violation may have occurred or will occur, or (ii) the receipt of a request from Commission staff.
  - F. No Company Official shall interfere with or attempt to influence the process or resolution of any Disciplinary Action, except to the extent provided under these Rules with respect to a proceeding in which a Person is a member of the relevant Disciplinary Panel or Appeals Committee.
  - G. Representation by Counsel
    1. All parties and witnesses to a disciplinary action have the right to retain and be represented by legal counsel or any other representation of their choosing, except any Director or a member of the Disciplinary Panel or person substantially related to the

underlying investigations, such as material witnesses or respondents during such proceedings.

2. In the event of any appeal that requires the Company to retain legal counsel, the Respondent shall be responsible for the reasonable attorney's fees incurred by the Company if the Respondent does not prevail in the dispute.

H. The Company may hold a Participant or Customer liable for, and impose sanctions against such Participant or Customer, for such Participant's or Customer's own acts and omissions that constitute a violation as well as for the acts and omissions of each Authorized User, Authorized Representative or other Person using a User ID of such Participant or Customer, or other agent or representative of such Participant or Customer, in each case, that constitute a violation as if such violation were that of the Participant or Customer.

I. Ex Parte Communications

1. A Respondent (and any counsel or representative of such Respondent) and the Compliance Department (and any counsel or representative of the Compliance Department) shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any member of the Disciplinary Panel or the Appeals Committee that hears such proceeding.
2. Members of a Disciplinary Panel or Appeals Committee shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any Respondent (and any counsel or representative of such Respondent) or the Compliance Department (and any counsel or representative of the Compliance Department).

3. Any Person who receives, makes or learns of any communication that is prohibited by this Rule 9.11 shall promptly give notice of such communication and any response thereto to the Compliance Department and all parties to the proceeding to which the communication relates.
  4. A Person shall not be deemed to have violated this Rule 9.11 if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent that the communication concerns the merits.
- J. Information and documents obtained during the course of an inquiry or investigation shall be treated as non-public and confidential and shall not be disclosed by any party, except as necessary to further a Company investigation or as required by law.

## **Rule 9.2 Investigations**

- A. The Compliance Department will endeavor to complete any investigation within 12 months of the time a potential Rule violation is suspected, unless there exists significant reason to extend the investigation beyond such period. Upon the conclusion of any investigation, the Compliance Department shall draft a report detailing the facts that led to the opening of the investigation, the facts that were found during the investigation, and the Compliance Department's analysis and conclusion. Such internal report shall be maintained in accordance with Rule 2.14.
- B. The Compliance Department has the authority to:
1. initiate and conduct inquiries and investigations;
  2. examine books and records of any Person subject to the Company's jurisdiction under Rule 3.1;
  3. prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;
  4. issue a Notice of Charges to a Respondent;

5. prosecute alleged violations within the Company's disciplinary jurisdiction; and
  6. represent the Company on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.
- C. Each Person subject to the jurisdiction of the Company:
1. is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Compliance Department in connection with:
    - a. any Rule;
    - b. any inquiry or investigation; or
    - c. any preparation by and presentation during a Disciplinary Action;
  2. is obligated to produce books, records, papers, documents or other tangible evidence in its possession, custody or control within the time period required by the Compliance Department in connection with:
    - a. any Rule;
    - b. any inquiry or investigation; or
    - c. any preparation by and presentation during a Disciplinary Action; and
  3. may not impede or delay any Disciplinary Action.

### **Rule 9.3 Disciplinary Panel**

- A. If the Respondent disputes the Compliance Department's findings with respect to a Disciplinary Action, the Company shall convene a Disciplinary Panel to adjudicate the findings by the Compliance Department that are under dispute. The Chief Compliance Officer or an individual designated by



the Chief Compliance Officer may be appointed to argue the matter on behalf of the Company.

1. Members of the Disciplinary Panel shall be individuals that do not have a direct interest (financial, personal or otherwise) in the matter, but in no event may be members of the Compliance Department or any Persons involved in adjudicating any other stage of the same proceeding.
  2. In the event that members of the Disciplinary Panel do not satisfy the requirements of this Rule 9.3A.2, then the Regulatory Oversight Committee may substitute a new member for the Disciplinary Panel or act as the Disciplinary Panel, to the extent that the substituted member or the Regulatory Oversight Committee, as the case may be, does not have a direct interest (financial, personal or otherwise) in the matter.
- B. Members of the Disciplinary Panel and the Compliance Department may not communicate regarding the merits of a matter brought before the Disciplinary Panel without informing the Respondent who is the subject of the communication of the substance of such communication and allowing the Respondent an opportunity to respond. The Compliance Department may compel testimony, subpoena documents, and require statements under oath from any Respondent or, to the extent the Respondent is a Participant, any of its Authorized Users, Authorized Representatives or other employees or agents.
- C. The Compliance Department and other Company Representatives working under the supervision of the Compliance Department may not operate under the direction or control of any Participant, Customer, Authorized User, Authorized Representative or any other representative of a Participant or Customer, or trade, directly or indirectly, in any commodity interest traded on or subject to the rules of any Designated Contract Market or Swap Execution Facility.

## **Rule 9.4 Notice of Charges**

- A. If the Compliance Department determines that there is reasonable cause to believe that a Respondent has violated these Rules or Applicable Law, the Compliance Department shall issue a Notice of Charges to a Respondent by electronic mail. If the Respondent fails to acknowledge receipt of the electronic mail, the Compliance Department shall also notify the Respondent via the U.S. Postal Service to that Respondent's last known address. The Notice of Charges shall include:
1. the reason the investigation was initiated;
  2. the Rule or Rules alleged to have been violated;
  3. the Respondent's response, if any, or a summary of the response;
  4. a summary of the investigation conducted;
  5. findings of fact and the Compliance Department's conclusions as to each charge, including which of these Rules the Respondent violated, if any;
  6. a summary of the Respondent's, and any relevant Authorized User's or Authorized Representative's, disciplinary history, if any;
  7. the penalty, if any, proposed by the Compliance Department; and
  8. the Respondent's right to a hearing.
- B. If the Compliance Department institutes an investigation of any Affiliate of the Company, the Chief Compliance Officer shall notify the Commission's Division of Market Oversight or the Division of Clearing and Risk, as appropriate, or their successor divisions, of that fact. At the conclusion of any such investigation, the Chief Compliance Officer shall provide, upon request, the Commission's Division of Market Oversight, or the Division of Clearing and Risk, as appropriate, or their successor divisions, with a copy of the report or other documentation specified in Rule 9.2.

## **Rule 9.5 Contesting and Appeals**

- A. The Respondent subject to the investigation may contest the Notice of Charges by submitting an answer to the Notice of Charges by electronic mail to the Compliance Department within 15 days of receipt of the Notice of Charges. The Respondent's answer must contain a detailed response to the findings and conclusions as to each charge and any other information the Respondent believes is relevant.
- B. After a Notice of Charges is issued, the Respondent has a right to examine all relevant books, documents, or other evidence in the possession or under the control of the Compliance Department, except that the Compliance Department may withhold from inspection any documents that:
  - 1. are privileged or that constitute attorney work product;
  - 2. were prepared by any Company Representative but which will not be offered in evidence in the disciplinary proceedings;
  - 3. may disclose a technique or guideline used in examinations, investigations, or enforcement proceedings; or
  - 4. disclose the identity of a confidential source.
- C. If the Respondent fails to answer a Notice of Charges, then such failure shall be deemed an admission to the findings in the Notice of Charges, and the Compliance Department shall present its findings and conclusions as final for the Disciplinary Panel's approval, along with the Compliance Department's proposed penalty (if any). The Disciplinary Panel shall impose the penalty (if any). The Compliance Department shall notify the Respondent of the imposition of any penalty and send a copy of the Notice of Charges by electronic mail. If the Respondent fails to acknowledge receipt of the electronic mail, the Compliance Department shall also notify the Respondent via the U.S. Postal Service to that Respondent's last known address.

- D. If the findings of the Compliance Department are contested, the Compliance Department's report and the Respondent's response will be submitted to a Disciplinary Panel.
- E. The Disciplinary Panel will conduct a fair hearing with the Compliance Department or other Company Representative and the Respondent within a reasonable period of time of receipt of the Participant's answer to the Notice of Charges contesting such Notice of Charges. Parties may attend telephonically. The formal rules of evidence shall not apply, but the hearing procedures must not deny a fair hearing.
  - 1. The hearing shall be recorded, and all information submitted by the parties and the recording of the hearing shall be treated as confidential by all parties and preserved by the Compliance Department, along with the Disciplinary Panel's findings, as the record of the proceedings (the "hearing record") in accordance with Rule 2.14.
  - 2. The hearing record shall be transcribed if requested by the Commission or Respondent, if the decision is appealed pursuant to these Rules, or if the Commission reviews the decision pursuant to Section 8c of the CEA or Part 9 of CFTC Regulations.
- F. Prior to the Disciplinary Panel's hearing, the parties may (but need not) submit proposed findings, briefs, and exhibits (including affidavits), and during the hearing the parties may present witnesses. The Respondent is entitled to cross-examine witnesses. Persons within the Company's jurisdiction who are called as witnesses must participate in the hearing and produce evidence. The Compliance Department shall use reasonable efforts to secure the presence of all other witnesses whose testimony would be relevant.
- G. Within 15 days after the Disciplinary Panel's hearing, the Disciplinary Panel shall issue a decision, which shall be delivered to the Respondent by electronic mail. If the Respondent has not made an appearance in the

Disciplinary Action and fails to acknowledge receipt of the electronic mail, then the Compliance Department shall also notify the Respondent via the U.S. Postal Service to the Respondent's last known address. The findings of the Disciplinary Panel shall contain the following information:

1. the Notice of Charges or a summary thereof, and any answer to the charges or a summary thereof;
  2. a summary of the evidence received;
  3. findings and conclusions with respect to each charge, and a complete explanation of the evidence and other basis for such findings and conclusions;
  4. an indication of each specific rule that the Respondent was found to have violated;
  5. a declaration of any penalty to be imposed on the Respondent as the result of the findings and conclusions, including the basis for such penalty;
  6. the effective date and duration of that penalty; and
  7. a statement that the Respondent has the right to appeal any adverse decision by the Disciplinary Panel to the Appeals Committee within 15 calendar days of receipt of the Disciplinary Panel's decision.
- H. The Disciplinary Panel's decision shall be final on the date it is issued, the finality of which shall be effective on the day after the last day of the appeal period.
- I. Either the Participant or the Compliance Department or the Company Representative may appeal the decision of the Disciplinary Panel within 15 calendar days by filing an appeal by electronic mail with the Appeals Committee and forwarding a copy to the other parties to the appeal. The Appeals Committee may review a decision on its own initiative. Any penalties shall be stayed pending appeal unless the Regulatory Oversight Committee determines that a stay pending appeal would likely be

detrimental to the Company, other Participants, or the public. The Appeals Committee shall review the hearing record and any information submitted by the Compliance Department or the Company Representative and the Respondent on appeal and issue a decision, which shall be final on the date of such issuance. The Respondent shall be notified of the Appeals Committee's decision by electronic mail. If the Respondent has not made an appearance in the Disciplinary Action and fails to acknowledge receipt of the electronic mail, the Compliance Department shall also notify the Respondent via the U.S. Postal Service to the Respondent's last known address. The hearing record, any information submitted on appeal, and the Appeals Committee's decision shall be preserved as the record on appeal in accordance with Rule 2.14. The decision shall contain the information listed in Rule 9.5 except for 9.5(G)(7).

#### **Rule 9.6 Settlements**

- A. The Company may enter into settlements with any Respondent any time during the disciplinary process, including prior to the issuance of a Notice of Charges and prior to any final decision by the Appeals Committee. The Respondent may initiate a settlement offer, but only a written offer of settlement that is supported by both parties shall be submitted by the CCO to the Disciplinary Panel for consideration. A settlement offer may be withdrawn at any time, by any party, before it is accepted by the Disciplinary Panel.
- B. The Disciplinary Panel may accept or reject a proposed settlement, and the decision of the Disciplinary Panel shall be final. The Disciplinary Panel must issue a written decision within 15 days of receipt of a settlement offer by the CCO.
- C. Any settlement under this Rule shall be in writing and shall state:
  - 1. the Notice of Charges, if yet served, or a summary thereof;
  - 2. the Respondent's answer, if any, or a summary thereof;

3. a summary of the investigation conducted;
  4. findings and conclusions as to each charge, including each act the Respondent was found to have committed or omitted, be committing or omitting, or be about to commit or omit, and each of these Rules or Applicable Law that such act or practice violated, is violating, or is about to violate;
  5. any penalty imposed and the penalty's effective date; and
  6. where customer harm is found to exist, full customer restitution where it can be reasonably determined.
- D. Failed settlement negotiations, or withdrawn settlement offers, will not prejudice a Respondent or otherwise affect subsequent procedures in the Rule enforcement process.

#### **Rule 9.7 Notice of Decision**

- A. The Compliance Department shall provide to the Respondent notice of the Disciplinary Action, decision of the Disciplinary Panel or Appeals Committee, or settlement in which sanctions are imposed, promptly after it becomes final. Notice shall be provided by electronic mail, unless the Respondent has not made an appearance in the Disciplinary Action and fails to acknowledge receipt of the electronic mail, in which case the Compliance Department shall also notify the Respondent via U.S. Postal Service at the Respondent's last known address.
- B. The Compliance Department shall provide to the NFA for inclusion in its Internet-accessible database of disciplinary matters within 30 calendar days after a decision becomes final, notice of any decision providing that a Respondent is suspended, expelled, disciplined or denied access to the Company.
- C. The Compliance Department shall make public notice of the Disciplinary Action when the Disciplinary Action becomes final by posting on its Website

the information required by CFTC Regulation 9.11 in accordance with CFTC Regulation 9.13.

### **Rule 9.8 Penalties**

As a result of a Disciplinary Action or as part of a settlement, the Compliance Department or Disciplinary Panel may impose one or more of the following penalties, commensurate with the violation committed, in consideration with the Respondent's disciplinary history, and including full customer restitution where customer harm is found and where such restitution can be reasonably determined:

- A. a letter of warning, censure, or reprimand (although no more than one such letter may be issued to the same Person found to have committed the same Rule violation within a rolling 12-month period);
- B. a fine or penalty for each Rule or Applicable Law violation sufficient to deter recidivism plus the monetary value of any benefit received as a result of the violation or the cost of damages to the unoffending counterparty;
- C. suspension of Participant, Customer, or Authorized User status or privileges for a specified period, including partial suspension of such privileges (for example, suspension of Clearing Privileges in particular types of Contracts or of placement of certain types of orders); and
- D. [Reserved]
- E. revocation of Participant, Customer, or Authorized User status or privileges, including partial revocation of such privileges (for example, revocation of Clearing Privileges in particular types of Contracts).

### **Rule 9.9 Summary Suspension**

- A. The Compliance Department may summarily suspend or restrict a Participant's, Customer's or an Authorized User's privileges if the Chief Compliance Officer believes suspension or restriction is necessary to protect the swaps, commodity futures or options markets, the Company, the public, or other Participants.



- B. All access denials, suspensions, expulsions and other restrictions imposed upon a Participant or Authorized User by the Compliance Department pursuant to these Rules shall restrict with equal force and effect, access to, and use of, the Company.
- C. The Compliance Department may deny or terminate the status of a Participant, including a Liquidity Provider, a Customer, and any Authorized User if (i) such Person is unable to demonstrate its ability to satisfy the applicable criteria set forth in Chapter 3 of these Rules; (ii) such Person is unable to demonstrate its compliance with all other applicable Rules; (iii) such Person's inability to demonstrate compliance with such criteria or Rules would, in the Company's sole discretion, bring the Company into disrepute or cause the Company to fail to be in compliance with the CEA or CFTC Regulations or other laws and regulations; (iv) such Person or any of its Authorized Users, as applicable, has committed a violation of the Rules; or (v) other good cause is shown as the Company may reasonably determine in its discretion.
- D. [Reserved]
- E. Whenever practicable the Compliance Department shall notify the Participant, Customer, or Authorized User whose privileges are to be summarily suspended by electronic mail before the action is taken. If prior notice is not practicable, the Participant, Customer or Authorized User shall be served with notice by electronic mail at the earliest opportunity. This notice shall:
  - 1. state the action taken or to be taken;
  - 2. briefly state the reasons for the action;
  - 3. state the time and date when the action became or becomes effective and its duration; and
  - 4. state that any Person aggrieved by the action may petition the Commission for a stay of the effective date of the action pending a

hearing pursuant to Part 9 of CFTC Regulations, within ten calendar days of service.

- F. The Participant, Customer or Authorized User whose privileges are to be summarily suspended shall be given an opportunity for appeal under the procedures outlined in Rule 9.5I. The decision affirming, modifying, or reversing the summary suspension shall be furnished by electronic mail to the suspended Participant, Customer or Authorized User, and to the Commission promptly after it is issued. The decision shall contain:
1. a description of the action taken and the reasons for the action;
  2. a brief summary of the evidence received during the appeal process;
  3. findings and conclusions;
  4. a determination as to whether the summary action that was taken should be affirmed, modified, or reversed;
  5. a declaration of any action to be taken against the suspended Participant or Authorized User as the result of that determination;
  6. the effective date and duration of that action;
  7. a determination of the appropriate relief based on the findings and conclusions;
  8. a statement that any Person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the Commission's Regulations, within 30 calendar days of service; and
  9. a statement that any Person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the Commission's Regulations, within ten calendar days of service.

#### **Rule 9.10 Reporting Violations to the Commission**

- A. Whenever the Company suspends, expels, fines or otherwise disciplines or denies any Person access to the Company DCO, the Company will make the disclosures required by Commission Regulations. Without limiting the

generality of the foregoing, upon rendering a final decision regarding a disciplinary or access denial action, the Company shall provide notice to the Commission by filing with NFA's BASIC.

- B. The Company will submit to the Commission a schedule, as enumerated in Rule 2.4, listing all those Company Rule violations which constitute disciplinary offenses as defined in paragraph (a)(6)(i) of CFTC Regulation 1.63 and, to the extent necessary to reflect revisions, will submit an amended schedule within thirty days of the end of each calendar year. The Company will maintain the schedule required by this section, and post the schedule on the Company's website.
- C. The Company will submit to the Commission within thirty days of the end of each calendar year a certified list of any Participants or Persons who have been removed from any Disciplinary Panel, the Board or any Company committee pursuant to these Rules or Applicable Law during the prior year.
- D. Whenever the Company finds by final decision that a Participant or Person has violated a Rule or otherwise committed a disciplinary offense and such finding makes such person ineligible to serve on the Company's Disciplinary Panels, Company committees, or the Board, the Company shall inform the Commission of such finding and the length of the ineligibility in a notice it is required to provide to the Commission pursuant to either CEA Section 17(h)(1) or CFTC Regulation 9.11.

## **CHAPTER 10 Arbitration**

### **Rule 10.1 In General**

- A. If so elected by a Customer, any Claim by the Customer against a Participant (including any related counterclaims) shall be settled by arbitration in accordance with this Chapter 10.
- B. Any Claim by a Participant against another Participant (including any related counterclaims) shall be settled by arbitration in accordance with this Chapter 10. Arbitration proceedings invoked pursuant to this paragraph shall be independent of, and shall not interfere with or delay the resolution of Customers' Claims submitted for arbitration pursuant to paragraph A.
- C. Notwithstanding paragraph B, the arbitration panel, in its sole and absolute discretion, may decline to take jurisdiction of, or, having taken jurisdiction may at any time decline to proceed further with, any Claim or any other dispute, controversy or counterclaim, other than such as may be asserted under paragraph A.
- D. A Claim brought pursuant to this Rule 10.1 shall be adjudicated by qualified arbitrators appointed in accordance with Rule 10.5 below.
- E. Persons to a dispute resolved in accordance with this Chapter 10 shall have the right to retain and be represented by legal counsel or any other representation of its choosing, except any Director or a member of the Disciplinary Panel or person substantially related to the underlying investigations, such as material witnesses or respondents during such proceedings. Persons to a dispute resolved in accordance with this Chapter 10 shall be responsible for their own costs, expenses and attorneys' fees incurred in connection with the dispute. Notwithstanding the foregoing, the Person that prevails shall be entitled to recover from the other party all costs, expenses and reasonable attorneys' fees incurred in any arbitration arising out of or relating to this Chapter 10, and in any legal action or administrative proceeding to enforce any arbitration award or relief.

- F. Any award or relief granted by the arbitrators hereunder shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction.
- G. Notwithstanding the foregoing, this Chapter 10 does not apply to disputes between Participants where:
  - 1. such Persons are required by the rules of a non-Company Self-Regulatory Organization to submit to the dispute resolution procedures of that Self-Regulatory Organization; or
  - 2. such Persons have, by valid and binding agreement, committed to arbitrate or litigate in a forum other than the Company.
- H. For purposes of this Chapter 10, the term “Claim” means any dispute which arises out of any Transaction, which dispute does not require for adjudication the presence of essential witnesses or third parties over whom the Company does not have jurisdiction or who are otherwise not available. The term “Claim” does not include disputes arising from underlying commodity transactions which are not a part of, or directly connected with, any Transaction.

#### **Rule 10.2 Fair and Equitable Arbitration Procedures**

- A. A Person desiring to initiate an arbitration as provided in Rule 10.1 shall file a notice of arbitration (a “Notice”) within two years from the time the Claim arose. The Notice must set forth the name and address of the party or parties against whom the Claim is being asserted, the nature and substance of the Claim, the relief requested and the factual and legal bases alleged to underlie such relief.
- B. The Notice shall be accompanied by a non-refundable check payable to the Company in payment of the arbitration fee. The amount of the fee shall be (i) \$500 for a Claim requesting relief totaling less than \$25,000 in the aggregate or (ii) \$1,000 for a Claim requesting relief totaling \$25,000 or more in the aggregate.

- C. Upon receipt, the Company shall promptly convene an arbitration panel in accordance with Rule 10.5. The Company shall deliver a copy of the Notice to each other party and to the arbitration panel.
- D. Within 20 days following the delivery of the Notice, each respondent shall file a written response (a "Response") with the Company, with a copy to the claimant, setting forth its or his position and any counterclaims, as applicable. If the Response sets forth one or more counterclaims, the claimant shall file within 20 days a written reply to such counterclaims with the Company, with a copy to the claimant.
- E. Once each party has had an opportunity to respond to the Claim and all counterclaims, the arbitration panel shall promptly schedule a hearing. Notwithstanding, Claims requesting relief totaling less than \$5,000 in the aggregate may, in the interests of efficiency and economy, be resolved without hearing.
- F. The chairman of the arbitration panel shall preside over the hearing and shall make such determinations on the relevancy and procedure as will promote a fair and expeditious adjudication.
- G. The arbitration panel shall consider all relevant, probative testimony and documents submitted by the parties. The arbitration panel shall not be bound by the formal rules of evidence.
- H. The final decision of the panel shall be by majority vote of the arbitrators, as applicable.
- I. Within 60 days after the termination of the hearing, the arbitration panel shall render its final decision in writing and deliver a copy thereof either in person or by first-class mail to each of the parties. The arbitration panel may grant any remedy or relief which it deems just and equitable, including, without limitation, the awarding of interest and the arbitration fee.
- J. The final decision of the arbitration panel shall not be subject to appeal within the Company.

- K. No verbatim record shall be made of the proceedings, unless requested by a party who shall bear the cost of such record.

### **Rule 10.3 Withdrawal of Arbitration Claim**

Any Notice may be withdrawn at any time before the Response is filed in accordance with this Chapter 10. If a Response has been filed, any withdrawal shall require consent of the party against which the Claim is asserted.

### **Rule 10.4 Penalties**

- A. Any failure on the part of a Person to arbitrate a dispute subject to this Chapter 10, or the commencement by any such Person of a suit in any court prior to arbitrating a case that is required to be arbitrated pursuant to this Chapter 10, violates these Rules and shall subject such Person to disciplinary proceedings pursuant to Chapter 9. Any Person that does not arbitrate a dispute pursuant to Rule 10.1G shall not be deemed to have violated these Rules.
- B. The Chief Compliance Officer, in consultation with the Regulatory Oversight Committee, may summarily suspend, pursuant to Rule 9.9, a Participant that fails to timely satisfy an arbitration award rendered in any arbitration pursuant to this Chapter 10.

### **Rule 10.5 Arbitration Panel**

- A. On an as-needed basis, the Company shall convene an arbitration panel to adjudicate an arbitration claim under this Chapter 10. For a Claim requesting relief totaling less than \$25,000 in the aggregate, the arbitration panel shall consist of one individual. For a Claim requesting relief totaling \$25,000 or more in the aggregate, the arbitration panel shall consist of three individuals.
- B. Members of the arbitration panel shall be individuals that do not have a direct interest (financial, personal or otherwise) in the matter.
- C. Any member of the arbitration panel may disqualify himself for any reason he deems appropriate.

- D. Each member of the arbitration panel shall conduct himself in a manner consistent with the American Bar Association/American Arbitration Association's "Code of Ethics for Arbitrators in Commercial Disputes," which the Company hereby adopts as its own code of ethics for arbitrators.
- E. Each member of the arbitration panel must have no less than five years' experience in the financial services industry, and no less than one arbitrator must have no less than five years' experience in the commodity futures or swap industry.
- F. In the event that members of the arbitration panel do not satisfy the requirements of this Rule 10.5, then the Regulatory Oversight Committee may substitute a new member for the arbitration panel or act as the arbitration panel, to the extent that the substituted member or the Regulatory Oversight Committee, as the case may be, does not have a direct interest (financial, personal or otherwise) in the matter.



## **CHAPTER 11 Miscellaneous**

### **Rule 11.1 Adjustments Necessitated by Material Changes in the Underlying**

In the event that, prior to or during the term of a Series, changes beyond the control of the Company occur in the availability of the Underlying or in the way the Underlying is calculated, or a value for the Underlying is unavailable or undefined in light of intervening events, the Company may adjust the terms of outstanding Series as it deems appropriate in its discretion to achieve fairness to holders of Contracts of the affected Series.

### **Rule 11.2 Prohibition on Trading by Company Personnel; Misuse of Material, Non-Public Information**

- A. Terms used in this Rule 11.2 and not otherwise defined in these Rules shall have the meanings set forth in CFTC Regulations 1.3 and 1.59.
- B. Company Personnel may not trade, directly or indirectly any Contract or any related financial instrument.
- C. Company Representatives may not trade, directly or indirectly any Contract or financial instrument where such Company Representative has access to material, non-public information concerning such Contract or financial instrument.
- D. The Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) may grant exemptions in accordance with the provisions of this Rule 11.2 to Company Personnel on a case-by-case basis under circumstances where the Company Personnel is participating in pooled investment vehicles and the Company Personnel has no direct or indirect control over Transactions effected by or for the account of the pool.
- E. For the avoidance of doubt, participation by Company Personnel in a retirement plan sponsored by the Company shall not be deemed to constitute trading directly or indirectly in a Contract or financial instrument, notwithstanding such plan's trading of Contracts or financial instruments.

- F. Any exempt Company Personnel that has received an exemption under Rule 11.2D must:
1. furnish to the Company (or, in the case of the Chief Compliance Officer, to the Board) account statements and other documents relevant to the trading activities that are so exempted; and
  2. inform the Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) within one Settlement Bank Business Day of any material change of information that may affect such Company Personnel's qualification for such exemption.
- G. Company Representatives are prohibited from disclosing material, non-public information obtained as a result of their employment, agency relationship or engagement with the Company for any purpose inconsistent with such Person's duties or responsibilities as an employee, agent, independent contractor, Director or Committee member.

### **Rule 11.3 Property Rights**

- A. Each Participant and Customer, on behalf of itself and each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing, hereby acknowledges and agrees that the Company owns and shall retain all right, title and interest in and to the Company, all components thereof, including, without limitation, all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including, without limitation, all registered or unregistered, as applicable, (a) copyright, (b) trademark, (c) service mark, (d) trade secret, (e) trade name, (f) data or database rights, (g) design rights, (h) moral rights, (i) inventions, whether or not capable of protection by patent or registration, (j) rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, (k) patent, and (l) other intellectual property and ownership rights, including applications for the grant of any of the same, in or to the Company and all other related

proprietary rights of the Company and/or any of its Affiliates (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind, other than Proprietary Data and Personal Information, transmitted by means of any of the foregoing, including, without limitation, market data, the "Proprietary Information"). Each Participant and Customer, on behalf of itself and each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing, further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of the Company. Each Participant and Customer acknowledges and agrees that it shall not and shall not permit its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing to reverse engineer, copy, bug fix, correct, update, transfer, reproduce, republish, broadcast, create derivative works based on or otherwise modify, in any manner, all or any part of the Company or the Proprietary Information. Each Participant and Customer further agrees to and to cause each of its Affiliates, Authorized Users and other Persons affiliated with any of the foregoing, to keep the Proprietary Information confidential and not to transfer, rent, lease, copy, loan, sell or distribute, directly or indirectly, all or any portion of the Company or any Proprietary Information.

- B. Subject to the provisions of this Rule 11.3, each Participant and Customer on behalf of itself and each of its Affiliates, Authorized Users, and other Persons affiliated with any of the foregoing, hereby acknowledges and agrees that the Company is the owner of all rights, title and interest in and to all intellectual property and other proprietary rights (including all copyright, patent, trademark or trade secret rights) in market data, and all derivative works based thereon, and further agree not to distribute, create derivative works based on, or otherwise use or commercially exploit market data and any such derivative works, provided that Participants, Customers, Affiliates, Authorized Users, and such other Persons may use market data for their own internal business purposes. Without limiting the generality of

the foregoing, Participants, Customers, Affiliates, Authorized Users, and other Persons affiliated with any of the foregoing may not distribute, sell or retransmit market data exchange to any third party.

- C. Notwithstanding any other provision of this Rule 11.3, each Participant, Customer, and Authorized User retains such rights as it may enjoy under applicable law with respect to market data solely in the form such market data was submitted to the Company by such Participant, Customer, or Authorized User.
- D. Transaction Data shall not be disclosed publicly other than on an aggregated or anonymous basis, or in a manner that does not directly or indirectly identify any market participant who has submitted such data.
- E. The Company shall not condition access to the Company upon a Participant's or Customer's consent to the use of Proprietary Data and Personal Information for business or marketing purposes. Proprietary Data and Personal Information may not be used by the Company for business and marketing purposes unless the market participant has clearly consented to the use of Proprietary Data and Personal Information in such manner. The Company, where necessary, for regulatory purposes, may share Proprietary Data and Personal Information with one or more DCMs or SEFs. Nothing in this Rule shall preclude the Company from disclosing Proprietary Data and Personal Information: (1) as required by Applicable Law or legal process; (2) as the Company may deem necessary or appropriate in connection with any litigation affecting the Company; (3) to any Company Representative authorized to receive such information within the scope of his or her duties; (4) to a third party performing regulatory or operational services for the Company, provided that such party has executed a confidentiality and non-disclosure agreement in a form approved by the Company; (5) to a duly authorized representative of the CFTC lawfully requesting Proprietary Data and Personal Information; (6) in a manner in which a market participant consents to such disclosure;

(7) pursuant to the terms of an information-sharing agreement; or (8) as permitted by CFTC Regulations.

#### **Rule 11.4 Signatures**

Rather than rely on an original signature, the Company may elect to rely on a signature that is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, photocopying, electronic mail, electronic data interchange, telegram, or telex) as if it were (and the signature shall be considered and have the same effect as) a valid and binding original.

#### **Rule 11.5 Governing Law**

The Rules, and the rights and Obligations of the Company, Participants, Customers, and their respective Authorized Representative(s) or Authorized User(s), under the Rules, shall be governed by, and construed in accordance with, the laws of the State of New York without regard to any provisions of New York law that would apply the substantive law of a different jurisdiction. The State of New York is the “securities intermediary’s jurisdiction” within the meaning of Section 8-110(e) of the UCC for all purposes of the UCC.

#### **Rule 11.6 Legal Proceedings**

- A. Any action, suit or proceeding against the Company, its Officers, Directors, limited liability company members, employees, agents, or any member of any committee must be brought within one year from the time that a cause of action has accrued. Any such action, suit or proceeding shall be brought in the State or Federal courts located within the City of New York, New York. Each Participant, Customer, and Authorized User expressly consents to the jurisdiction of any such court, waives any objection to venue therein, and waives any right it may have to a trial by jury.
- B. In the event that a Participant or Customer, or their respective Authorized User(s), or an Affiliate of such Person, who fails to prevail in a lawsuit or other legal proceeding instituted against (i) the Company or (ii) any Affiliate of the Company or any of its respective officers, directors, equity holders,

employees, agents, or any member of any committee, and related to the business of the Company, such Participant, Customer, or respective Authorized User shall pay to the Company all reasonable costs and expenses, including attorneys' fees, incurred by the Company in the defense of such proceeding. Participant and Customer agree that the Company has the authority to unilaterally debit such costs and expenses from the Participant's or Customer's account(s) with the Company following a final judgment. This Rule 11.6 shall not apply to Company disciplinary actions, appeals thereof, or an instance in which the Board has granted a waiver of the provisions hereof.

- C. The Company will provide to the Commission copies of documents pertaining to Company-related pending legal proceedings as required under CFTC Regulation 1.60.

#### **Rule 11.7 LIMITATION OF LIABILITY; NO WARRANTIES**

- A. EXCEPT AS OTHERWISE SET FORTH IN THE RULES, OR DUE TO COMPANY OBLIGATIONS ARISING FROM THE ACT OR CFTC REGULATIONS, INCLUDING, WITHOUT LIMITATION, PART 39 OF THE CFTC REGULATIONS, OR OTHERWISE UNDER APPLICABLE LAW, NEITHER THE COMPANY NOR ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES SHALL BE LIABLE TO ANY PERSON, PARTICIPANT, CUSTOMER OR ANY PARTNER, DIRECTOR, OFFICER, AGENT, EMPLOYEE, AUTHORIZED USER OR AUTHORIZED REPRESENTATIVE THEREOF, FOR ANY LOSS, DAMAGE, INJURY, DELAY, COST, EXPENSE, OR OTHER LIABILITY OR CLAIM, WHETHER IN CONTRACT, TORT OR RESTITUTION, OR UNDER ANY OTHER CAUSE OF ACTION, SUFFERED BY OR MADE AGAINST THEM AS A RESULT OF THEIR USE OF SOME OR ALL OF THE PLATFORM OR THE WEBSITE, AND BY MAKING USE OF THE PLATFORM OR THE

WEBSITE, SUCH PERSONS EXPRESSLY AGREE TO ACCEPT ALL LIABILITY ARISING FROM THEIR USE OF SAME.

- B. EXCEPT AS OTHERWISE SET FORTH IN THESE RULES OR DUE TO COMPANY OBLIGATIONS ARISING FROM THE ACT OR CFTC REGULATIONS, INCLUDING, WITHOUT LIMITATION, PART 39 OF THE CFTC REGULATIONS, OR OTHERWISE UNDER APPLICABLE LAW, NEITHER THE COMPANY NOR ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES SHALL BE LIABLE TO ANY PERSON, PARTICIPANT, CUSTOMER, OR ANY PARTNER, DIRECTOR, OFFICER, AGENT, EMPLOYEE, AUTHORIZED USER OR AUTHORIZED REPRESENTATIVE THEREOF, FOR ANY LOSS, DAMAGE, INJURY, DELAY, COST, EXPENSE, OR OTHER LIABILITY OR CLAIM, WHETHER IN CONTRACT, TORT OR RESTITUTION, OR UNDER ANY OTHER CAUSE OF ACTION, SUFFERED BY OR MADE AGAINST THEM, ARISING FROM (A) ANY FAILURE OR NON-AVAILABILITY OF THE PLATFORM OR WEBSITE; (B) ANY ACT OR OMISSION ON THE PART OF THE COMPANY, COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES INCLUDING WITHOUT LIMITATION A DECISION OF THE COMPANY TO SUSPEND, HALT, OR TERMINATE TRADING OR TO VOID, NULLIFY OR CANCEL ORDERS OR TRADES IN WHOLE OR IN PART; (C) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE COMPANY, AFFILIATES, THE PLATFORM, OR THE WEBSITE; (D) UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF THE PLATFORM OR WEBSITE BY ANY PERSON; (E) ANY FORCE MAJEURE EVENT, INCLUDING, BUT NOT LIMITED TO, THE UNAVAILABILITY OF THE BLOCKCHAIN AS REASONABLY DETERMINED BY THE COMPANY, AFFECTING THE COMPANY OR A CONTRACT; OR (F) ANY LOSS TO ANY PARTICIPANT OR CUSTOMER RESULTING FROM A PARTICIPANT'S OR CUSTOMER'S OWN SECURITY OR THE INTEGRITY OF A

PARTICIPANT'S OR CUSTOMER'S TECHNOLOGY OR TECHNOLOGY SYSTEMS. THIS LIMITATION OF LIABILITY WILL APPLY REGARDLESS OF WHETHER OR NOT THE COMPANY, ANY COMPANY REPRESENTATIVES, ANY COMPANY AFFILIATES OR AFFILIATES' REPRESENTATIVES (OR ANY DESIGNEE THEREOF) WAS ADVISED OF OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF SUCH DAMAGES.

- C. A PERSON'S USE OF THE PLATFORM OR THE WEBSITE, COMPANY PROPERTY AND ANY OTHER INFORMATION AND MATERIALS PROVIDED BY THE COMPANY IS AT THE PERSON'S OWN RISK, AND THE PLATFORM, THE WEBSITE, THE COMPANY PROPERTY AND ANY OTHER INFORMATION AND MATERIALS PROVIDED BY THE COMPANY HEREUNDER ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, WITHOUT WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, BY STATUTE, COMMON LAW OR OTHERWISE, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. THE COMPANY DOES NOT GUARANTEE THAT (A) THE COMPANY PROPERTY, THE PLATFORM, OR THE WEBSITE WILL OPERATE IN AN ERROR-FREE, SECURE OR UNINTERRUPTED MANNER; (B) ANY INFORMATION OR MATERIALS PROVIDED BY THE COMPANY OR ACCESSIBLE THROUGH THE COMPANY PROPERTY, THE PLATFORM, OR THE WEBSITE WILL BE ACCURATE, COMPLETE, RELIABLE, OR TIMELY; OR (C) THE COMPANY PROPERTY OR ANY ASPECTS OF THE PLATFORM OR THE WEBSITE WILL BE FREE FROM VIRUSES OR OTHER HARMFUL COMPONENTS. THE COMPANY SHALL HAVE NO LIABILITY FOR THE CREDITWORTHINESS OF ANY PERSON OR FOR THE ACTS OR OMISSIONS OF ANY PERSON UTILIZING THE PLATFORM, THE WEBSITE, OR ANY ASPECT OF THE COMPANY,



PLATFORM, OR WEBSITE. A PERSON ACCESSING THE COMPANY IS SOLELY RESPONSIBLE FOR THE SECURITY AND INTEGRITY OF THE PERSON'S TECHNOLOGY. A PERSON'S ACCESS TO THE COMPANY MAY BE INTERNET-BASED AND THE COMPANY HAS NO CONTROL OVER THE INTERNET OR A PERSON'S CONNECTIONS THERETO. ANY PERSON ACCESSING THE COMPANY ACKNOWLEDGES THAT THE INTERNET, COMPUTER NETWORKS, AND COMMUNICATIONS LINKS AND DEVICES NECESSARY TO ENABLE A PERSON TO ACCESS AND USE THE PLATFORM AND THE WEBSITE ARE INHERENTLY INSECURE AND VULNERABLE TO ATTEMPTS AT UNAUTHORIZED ENTRY AND THAT NO FORM OF PROTECTION CAN ENSURE THAT A PARTICIPANT'S DATA, HARDWARE, OR SOFTWARE OR THE PLATFORM OR OTHER COMPANY PROPERTY WILL BE FULLY SECURE. FURTHERMORE, THE COMPANY SHALL HAVE NO OBLIGATION TO MONITOR OR VERIFY ANY INFORMATION DISPLAYED THROUGH THE PLATFORM OR THE WEBSITE.

- D. A PARTICIPANT THAT DEPOSITS COLLATERAL FOR ITS BENEFIT OR THE BENEFIT OF ITS CUSTOMERS WITH THE COMPANY PURSUANT TO THESE RULES SHALL HOLD THE COMPANY HARMLESS FROM ALL LIABILITY, LOSSES AND DAMAGES WHICH MAY RESULT FROM OR ARISE WITH RESPECT TO THE CARE AND SALE OF SUCH COLLATERAL PROVIDED THAT THE COMPANY HAS ACTED REASONABLY AND IN ACCORDANCE WITH APPLICABLE LAW UNDER THE CIRCUMSTANCES. FURTHERMORE, THE COMPANY HAS NO RESPONSIBILITY FOR ANY ACT OR OMISSION OF ANY THIRD PARTY SERVICE PROVIDER THAT THE COMPANY HAS CHOSEN WITH REASONABLE CARE. THE COMPANY HAS NO RESPONSIBILITY OR LIABILITY FOR ANY LOSS OF COLLATERAL THAT RESULTS, DIRECTLY OR INDIRECTLY, FROM A BREACH TO A PARTICIPANT'S OR CUSTOMER'S SECURITY OR ELECTRONIC SYSTEMS, INCLUDING BUT NOT LIMITED TO CYBER ATTACKS, OR FROM A PARTICIPANT'S

NEGLIGENCE WITH RESPECT TO A WALLET, ADDRESS OR THE RECEIPT OF COLLATERAL UPON THE REQUEST OF A WITHDRAWAL, OR FROM A PARTICIPANT'S DEPOSIT, MISTAKE, ERROR, NEGLIGENCE, OR MISCONDUCT WITH RESPECT TO ANY COLLATERAL TRANSFERS A PARTICIPANT MAKES OR ATTEMPTS TO MAKE TO THE COMPANY.

- E. NO PARTICIPANT, CUSTOMER, OR THEIR RESPECTIVE AUTHORIZED USERS, AUTHORIZED REPRESENTATIVES OR ANY OTHER PERSON SHALL BE ENTITLED TO COMMENCE OR CARRY ON ANY PROCEEDING AGAINST THE COMPANY, ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES, IN RESPECT OF ANY ACT, OMISSION, PENALTY OR REMEDY IMPOSED PURSUANT TO THE RULES OF THE COMPANY. THIS SECTION SHALL NOT RESTRICT THE RIGHT OF SUCH PERSONS TO APPLY FOR A REVIEW OF A DIRECTION, ORDER OR DECISION OF THE COMPANY BY A COMPETENT REGULATORY AUTHORITY.
- F. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IN NO EVENT SHALL THE COMPANY OR ANY OF ITS COMPANY REPRESENTATIVES, AFFILIATES OR AFFILIATES' REPRESENTATIVES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES (WHETHER OR NOT THE COMPANY OR ANY SUCH PERSON HAD BEEN INFORMED OR NOTIFIED OR WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES).
- G. ANY CLAIM FOR REDRESS OR DAMAGES HEREUNDER SHALL BE FILED IN A COURT OF COMPETENT JURISDICTION WITHIN ONE YEAR OF THE DATE ON WHICH SUCH CLAIM ALLEGEDLY AROSE. FAILURE TO INSTITUTE LITIGATION WITHIN SUCH TIME PERIOD SHALL BE DEEMED TO BE A WAIVER OF SUCH CLAIM AND THE

CLAIM SHALL BE OF NO FURTHER FORCE OR EFFECT. THE ALLOCATIONS OF LIABILITY IN THIS **RULE 11.7** REPRESENT THE AGREED AND BARGAINED FOR UNDERSTANDING OF THE PARTIES, AND EACH PARTY ACKNOWLEDGES THAT THE OTHER PARTY'S RIGHTS AND OBLIGATIONS HEREUNDER REFLECT SUCH ALLOCATIONS. THE PARTIES AGREE THAT THEY WILL NOT ALLEGE THAT THIS REMEDY FAILS ITS ESSENTIAL PURPOSE.

- H. THE LIMITATIONS ON LIABILITY IN THIS **RULE 11.7** SHALL NOT PROTECT ANY PARTY FOR WHICH THERE HAS BEEN A FINAL DETERMINATION (INCLUDING EXHAUSTION OF ANY APPEALS) BY A COURT OR ARBITRATOR TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT OR FRAUD. ADDITIONALLY, THE FOREGOING LIMITATIONS ON LIABILITY OF THIS RULE SHALL BE SUBJECT TO THE CEA AND THE REGULATIONS PROMULGATED THEREUNDER, EACH AS IN EFFECT FROM TIME TO TIME.

#### **Rule 11.8 Error Trade Policy**

- A. NEITHER THE COMPANY DCO NOR ANY OF ITS REPRESENTATIVES, ITS AFFILIATES OR ITS AFFILIATES' REPRESENTATIVES SHALL BE LIABLE TO ANY PERSON, OR ANY PARTNER, DIRECTOR, OFFICER, AGENT, EMPLOYEE, PARTICIPANT, CUSTOMER, AUTHORIZED USER OR AUTHORIZED REPRESENTATIVE THEREOF, FOR ANY LOSS, DAMAGE, INJURY, DELAY, COST, EXPENSE, OR OTHER LIABILITY OR CLAIM, WHETHER IN CONTRACT, TORT OR RESTITUTION, OR UNDER ANY OTHER CAUSE OF ACTION, SUFFERED BY OR MADE AGAINST THEM ARISING FROM ANY ACT OR OMISSION ON THE PART OF THE COMPANY, ITS REPRESENTATIVES, ITS AFFILIATES OR ITS AFFILIATES' REPRESENTATIVES, OR ANY SEF OR DCM CLEARING THROUGH THE COMPANY DCO RELATING TO ANY DECISION BY THE COMPANY TO, OR TO NOT, VOID, NULLIFY OR CANCEL ORDERS OR TRADES OR ADJUST THE PRICES OF ANY

TRADES IN WHOLE OR IN PART. THIS LIMITATION OF LIABILITY WILL APPLY REGARDLESS OF WHETHER OR NOT THE COMPANY, ITS REPRESENTATIVES, ITS AFFILIATES OR ITS AFFILIATES' REPRESENTATIVES (OR ANY DESIGNEE THEREOF), OR ANY SEF OR DCM CLEARING THROUGH THE COMPANY DCO WERE ADVISED OF OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF SUCH DAMAGES.

#### **Rule 11.9 Company Contacts**

All requests to cancel cleared trades must be directed to the Company via the Participant Portal. Any such request will be acted upon on a best-efforts basis by the relevant Company Personnel.

#### **Rule 11.10 [Reserved]**

#### **Rule 11.11 [Reserved]**

#### **Rule 11.12 Amendments to the Rules**

These Rules may be amended or repealed, or new Rules may be adopted. An amendment to a Rule, repeal of a Rule or adoption of a new Rule shall be effective on a date set forth by the Company, and set forth in a Participant Notice and on the Website.

#### **Rule 11.13 Transfer of Trades**

- A. The Chief Compliance Officer or his or her designee may, upon request by the Participant(s), approve a transfer of open trades and positions, and associated collateral, from the books of one Participant to the books of another Participant, or between one Customer and another Customer, provided that:
  - 1. the transfer constitutes a change from one account to another account where the underlying beneficial ownership in such accounts remains the same;

2. an error has occurred in the clearing of a trade and a transfer to correct such error is undertaken and is completed within two Business Days after the trade date;
  3. the transfer is in connection with, or as a result of, a merger, asset purchase, corporate restructuring, consolidation or similar non-recurring transaction between two or more entities; or
  4. If, in the judgment of the CCO (or his or her designee), the situation so requires and such transfer is in the best interest of the Company.
- B. All trades involved in the transfer must remain fully collateralized upon completion of the transfer.
- C. Unless otherwise permitted by the Company, a transfer that is permitted pursuant to this Rule 11.13 must be recorded and carried on the books of the receiving Participant at the original trade dates with the original trade prices.
- D. All transfers shall be reported to the Company in a form acceptable to the Company for the type of transactions involved. The Participant(s) involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.
- E. **Additional Requirements for Transfer of Open Positions between FCM Participants.** Any transfer between FCM Participants of open positions shall be subject to the following:
1. The Company DCO may, if in the best interests of the DCO, approve a position transfer without requiring the prior close out and re-booking of the Contract if the FCM Participant currently carrying a Customer Account (the "Carrying FCM Participant") notifies the Company DCO that the Customer has requested to transfer all or a portion of the positions in the Customer Account to another FCM Participant (the "Receiving FCM Participant"), provided that (i) the

written notification includes a representation that the Customer is not currently in Default, the Customer's name, Customer Account ID and, if the transfer is not of an entire account, a description of which Contracts are to be transferred, and (ii) the Receiving FCM Participant agrees to accept the transfer, the transferred Contracts will have sufficient collateralization in accordance with Rule 7.1 at the Receiving FCM Participant, and any Contracts cleared by the Company DCO remaining at the Carrying FCM Participant will remain sufficiently collateralized in accordance with Rule 7.1.

2. If the Carrying FCM Participant or Customer is in Default, transfers may only be affected at the latest settlement price, unless the Company DCO, in its discretion, determines that accepting the transfer at another price would not jeopardize the Company DCO (for example, if there is excess collateral on deposit or for some other reason).

#### **Rule 11.14 Digital Currency Fork Policy**

At some point in the future, there may be a change, or anticipated change, to the relevant operating rules, protocols, processes, or standards applicable to a Digital Currency underlying a Contract, including without limitation a hard fork, a user activated soft fork, or other events resulting in a split, division, alteration, conversion, replacement, of substitution of a Digital Currency into another form, a restriction on the transfer of the Digital Currency (such as a lockup or freeze), or a distribution of another asset to existing holders of the Digital Currency (such as an airdrop). Such an event may result in the creation of an asset that is subject to the Securities Act of 1933 (the "'33 Act"), as amended, and is subject to the jurisdiction of the SEC.

In the event of such change, or anticipated change, the Company shall have the sole discretion to take such action, including (without limitation) emergency action under Rule 2.12, that it deems appropriate. Such action may include (without limitation) revising delivery obligations under the Contract (such as providing for the delivery of one or more assets resulting from such an event), revising other terms of the Contract, determining

who should receive a newly created digital assets, assigning newly listed Contracts to Participants whose positions have been, or are anticipated to be affected, or refusing to transfer a newly created asset that is or may be subject to the '33 Act or the jurisdiction of the SEC. The Company shall endeavor to provide reasonable notice to market participants and take action in consultation with market participants, where reasonably possible and appropriate, and shall endeavor to align the exposures of Participants holding positions in open Contracts with exposures in the spot market.

#### **Rule 11.15 Contracts Not Voidable**

A Contract will not be void or voidable due to: (1) a violation by the Company of the provisions of sections 5 or 5h of the CEA or Parts 37 or 38 of CFTC Regulations; (2) any CFTC proceeding to alter or supplement a rule, term or condition under section 8a(7) of the CEA or to declare an emergency under section 8a(9) of the CEA; or (3) any other proceeding the effect of which is to: (i) alter or supplement a specific term or condition or trading rule or procedures, or (ii) require the Company to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

### **CHAPTER 12 Company Contracts**

**Rule 12.1 [Reserved]**

**Rule 12.2 [Reserved]**

**Rule 12.3 [Reserved]**

**Rule 12.4 [Reserved]**

**Rule 12.5 [Reserved]**

**Rule 12.6 [Reserved]**

**Rule 12.7 [Reserved]**

**Rule 12.8 [Reserved]**

**Rule 12.9 Company Contracts Offered**

The Company's Contract Specifications are set forth on the Website [here](#). Contract Specifications are subject to revision or amendment from time to time. The Company

shall post any proposed revisions to Company's Contract Specifications [here](#) prior to any changes becoming effective.

## **CHAPTER 13 – [RESERVED]**