

Exhibit M: Rulebook

Railbird Exchange, LLC

Rulebook

Date: May 14, 2026

The provisions governing Self-Clearing Members in this Rulebook are conditional and will not apply, and Self-Clearing access will not be available, until the Clearinghouse has obtained any required regulatory approvals, is operational to clear such activity, and the rulebook of the Clearinghouse reflects that such access is permitted.

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CHAPTER 1:DEFINITIONS

Except where the context requires otherwise, as used herein:

- (i) Words used in the singular shall be deemed to import the plural and vice versa, as the context may require;
- (ii) The term “include” means “include without limitation”;
- (iii) Any reference to the masculine, feminine, or neutral gender includes each other gender;
- (iv) Any reference to a number of days shall mean calendar days unless Business Days are specified;
- (v) Any reference to a time shall mean the local time in New York, NY unless otherwise specified;
- (vi) Any reference to dollars, \$ or USD shall mean U.S. dollars; and
- (vii) Any reference to these Rules, and the words herein, hereof, hereto, and hereunder and words of similar import refer to these Rules as a whole and not to any particular Rule unless otherwise indicated.

When used in this Rulebook the following terms shall have the respective meanings as follows:

“Accountability Level” means the threshold number of Contracts held by a Member at or above which (i) a Member may be asked by the Company to provide additional information regarding the nature of the position and (ii) the Company may direct a Member to not increase or decrease positions in excess of an Accountability Level.

“Affiliate” means, with respect to any Person, any Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

“Anti-Money Laundering” or “AML” means a set of laws, regulations, policies, and procedures designed to prevent illegally obtained funds from being disguised as legitimate funds.

“Appeal Committee” means a committee of the Board to consider appeals under Chapter 9.

“Applicable Law” means, with respect to any Person, any statute, law, regulations, judgements, rulings or ordinances of any governmental or self-regulatory authority or court, including, without limitation, the CEA and CFTC Regulations, and state regulations where applicable.

“Arbitration Pool” means a group of up to twenty (20) Members that are eligible to serve on the Board of Arbitration.

“Binary Contract” means a Contract where the Market Outcome is either “YES” or “NO”.

“Board” means the Board of Directors of Railbird, which manages the Company and is constituted from time to time in accordance with the Operating Agreement.

“Board of Arbitration” means a board whose members are derived from the Arbitration Pool as part of the arbitration procedure described in Chapter 10 of the Rules.

“Business Day” means any day, except Saturdays, Sundays, and holidays on which banking services are not available in the United States.

“CFTC” or “Commission” means the U.S. Commodity Futures Trading Commission or any successor regulatory body.

“CFTC Regulations” means the rules and regulations promulgated by the CFTC, as amended.

“Clearinghouse” means, collectively, the applicable registered Derivatives Clearing Organization providing clearing services for a Contract executed on Railbird pursuant to a clearing services agreement.

“Commodity Exchange Act” or “CEA” means the Commodity Exchange Act, as amended from time to time.

“Company”, “Exchange” and “Railbird” means Railbird Exchange, LLC or any successor thereto.

“Contract” means any contract, agreement, or transaction approved for trading on Railbird pursuant to these Rules.

“Contract Market” has the meaning set forth in CFTC Regulation § 1.3.

“Contract Specifications” means, with respect to any Contract, the Rules or other trading protocols containing specifications for such Contract, as adopted, amended, supplemented or otherwise modified from time to time by the Company.

“Customer Segregated Account” means an account carried and maintained by a Clearinghouse in which funds of FCM Customers are held, segregated from the proprietary funds of the FCM, other Clearinghouse members, and such Clearinghouse, in accordance with CFTC Regulations.

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

“Director” means any member of the Board.

“Disciplinary Action” means any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension, or other summary action.

“Disciplinary Panel” means the panel appointed by the Board at the recommendation of the Chief Regulatory Officer to act in an adjudicative role and fulfill various adjudicative responsibilities and duties described in Chapter 9.

“Emergency” means any occurrence or circumstance that, in the opinion of the Board or at least two members of the management team, requires immediate action and threatens or may threaten matters such as (i) the fair and orderly trading in, or the liquidation of or delivery pursuant to, any Contract or (ii) the timely collection or payment of funds in connection with clearing and settlement of Contracts by a Derivatives Clearing Organization, including, without limitation, the following:

1. any manipulative or attempted manipulative activity;
2. any circumstance that may materially affect the performance of a Contract, including failure of the payment system or the bankruptcy or insolvency of any Member;
3. any action taken by any domestic or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, or any agency, department, instrumentality, or sub-division thereof; or other Person exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other registered entity, board of trade, market, facility, or other exchange or trade association (foreign or domestic) that may have a direct impact on trading, clearing, and settlement of any Contract;
4. any actual, attempted, or threatened corner, squeeze, congestion, manipulative activity, or undue concentration of positions in a Contract;
5. any circumstance that may have a severe, adverse effect upon the functions and facilities of Railbird, including, but not limited to, acts of God, fire, flood or other natural disasters, bomb threats, acts of terrorism or war, severely inclement weather, or failure or malfunction of all or a portion of the Platform, or other system breakdowns or interruptions such as power, computer, communication or transportation systems or the Internet;
6. the bankruptcy or insolvency of any Derivatives Clearing Organization or the imposition of any injunction or other restraint by any Regulatory Agency, clearinghouse, court or arbitrator upon a Derivatives Clearing Organization which may affect the ability of a Derivatives Clearing Organization to trade in or perform on a Contract;
7. any circumstance in which it appears that a Derivatives Clearing Organization or any other Person:
 - (i) has failed to perform on a Contract;
 - (ii) is insolvent; or

- (iii) is in a financial or operational condition or is conducting business such that the Derivatives Clearing Organization or Person cannot be permitted to continue in business without jeopardizing the safety of customer funds, Members, Railbird or any Derivatives Clearing Organization; or
- 8. any circumstance which may have a material impact on the reliability or transparency of the Underlying related to a Contract; or
- 9. any other unusual, unforeseeable or adverse circumstance.

“Emergency Action” means an action deemed to be necessary or appropriate to respond to an Emergency and taken pursuant to Rule 2.8.

“Emergency Rules” means procedures or rules adopted in response to an Emergency pursuant to Rule 2.8.

“Expiration” means the time on the Expiration Date established pursuant to these Rules at which a Contract expires and the Expiration Value of that Contract is determined.

“Expiration Date” means the date established by these Rules on which the Expiration Value of each Contract is determined.

“Expiration Value” means the rate, level, amount, measure, or other value of the Underlying at Expiration.

“FCM Customer” means a customer, as that term is defined in CFTC Regulation 1.3, of an FCM Member that trades on the Exchange according to the rules of the FCM Member and these Rules.

“FCM Member Agreement” means a FCM Exchange Membership Agreement entered into between an FCM and the Exchange.

“FCM Member Application” has the meaning ascribed to it in Rule 3.2(a).

“Foreign Bank” means a bank as that term is defined in 31 CFR 1010.100(u).

“Futures Commission Merchant”, “FCM” and “FCM Member” means a Person that is registered with the Commission as a futures commission merchant and has entered into an FCM Member Agreement with the Exchange and is authorized by the Exchange to intermediate FCM Customer orders on Railbird.

“Introducing Broker” or “IB” means a Person that is registered, or required to be registered, with the Commission as an introducing broker as that term is defined under Section 1a(31) of the CEA.

“Know Your Customer” or “KYC” means the procedure used by financial institutions and other businesses to verify the identity of their customers prior to the establishment of a business

relationship and assess potential risks to prevent fraud, money laundering, and other financial crimes.

“Majority Members” means the Persons holding a majority of the then-outstanding equity interests of the Company.

“Market Maker” means a Member that is designated as a market maker by the Exchange and granted certain privileges in exchange for maintaining certain requirements as set forth in Chapter 4 of these Rules.

“Market Outcome” means the result of the Contract. For a Binary Contract, if the Expiration Value is encompassed within the Payout Criterion, then the Market Outcome is YES, and if the Expiration Value is not encompassed within the Payout Criterion, then the Market Outcome is NO. For a Variable Payout Contract, the Market Outcome is a numerical value equivalent to the Expiration Value.

“Market Outcome Review Process” means the process initiated under Rule 7.1 to determine a final Market Outcome.

“Material Relationship” has the meaning attributed to such term in Rule 2.2(g).

“Member” means any FCM, FCM Customer and Self-Clearing Member who is authorized to access or utilize the Platform and is bound by these Rules, unless the context otherwise requires.

“Member Account” means an account carried by and maintained by any Clearinghouse, on behalf of a Member (other than an FCM Customer), in which a Self-Clearing Member’s funds, or the proprietary funds of an FCM, are held separate and apart from any Customer Segregated Account.

“Member Application” means, as applicable, an FCM Member Application (in the case of FCM Members) or a Self-Clearing Member Application (in the case of Self-Clearing Members).

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“Officer” has the meaning attributed to such term in Rule 2.3.

“Operating Agreement” means the Operating Agreement of Railbird Exchange, LLC, dated January 13, 2026, as amended from time to time.

“Order” means either a bid or an offer for a Contract.

“Outcome Review Committee” means a committee of the Board to determine Market Outcomes in accordance with Chapter 7.

“Oversight Panel” means any panel, or any subcommittee thereof, authorized by the Exchange to recommend or establish policies or procedures with respect to Railbird’s surveillance, compliance, rule enforcement, or disciplinary responsibilities.

“Payout Criterion” of a Contract means the Expiration Value or set of Expiration Values that specifies that Contract to pay a specific Settlement Value to the holder of a position in such Contract. Solely for purposes of a Binary Contract, the holder of a position in a Contract that receives a Settlement Value is considered to be “in the money” while the holder of a position in a Contract that does not receive a Settlement Value is considered to be “out of the money.”

“Person” means a natural person or entity as defined in Section 1a(38) of the CEA and CFTC Regulation 1.3.

“Platform” means the Railbird electronic trade execution system that is used for trading Contracts, including any licensed software that is a part thereof from time to time, and any successor electronic trading system thereto.

“Position Limit” means 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 Member as prescribed by Railbird and/or the Commission.

“Proprietary Data and Personal Information” means information identifying a natural person (e.g., name and email 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.

“Public Director” means an individual with the qualifications set forth in Rule 2.2(f).

“Quote” means a response to an RFQ by a Quoter, as described in Rule 5.3(b).

“Quoter” means a participating Self-Clearing Member that responds to a RFQ, as described in Rule 5.3(b).

“Regulatory Agency” means 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 its members, and includes the Clearinghouse, the Exchange, and the National Futures Association.

“Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 2.6.

“Request-for-Quote” or “RFQ” means an electronic message disseminated on the Exchange for the purposes of soliciting quotes for a specific Contract.

“Requester” means a Member using Railbird’s RFQ system.

“Respondent” means the Person against whom a Complaint is filed.

“Rulebook” or “Rules” means the Railbird Rulebook and any interpretations, orders, resolutions, advisories, notices, statements of policy, decisions, manuals, and directives of the Company or any Clearinghouse.

“Self-Clearing Member” means a Person, other than an FCM, that has entered into a Self-Clearing Member Agreement with the Exchange.

“Self-Clearing Member Application” has the meaning ascribed to it in Rule 3.1(b).

“Self-Clearing Member Agreement” means an Exchange Self-Clearing Membership Agreement entered into between a Member (other than FCM) and the Exchange.

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

“Settlement” means payment to Members who have the right to receive money pursuant to a Contract, held until Expiration.

“Settlement Bank” means a depository approved by any Clearinghouse as an acceptable location for depositing Member funds.

“Settlement Date” means the date on which Settlement occurs.

“Settlement Value” means the amount that the holder of a Contract may receive for a Contract held until Expiration, which is determined by the Payout Criterion.

“Source Agency” means the agency that publishes the Underlying and/or Expiration Value for any Contract.

“Trade” or “Transaction” means any purchase or sale of any Contract on Railbird, either directly or indirectly.

“Transaction Data” means 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.

“Underlying” means the index, rate, risk, measure, instrument, differential, indicator, value, contingency, occurrence, or extent of an occurrence that is observed and measured to determine the Expiration Value of a Contract.

“U.S. Financial Institution” means a financial institution (as that term is defined in 31 CFR 1010.100(t), subsections (1),(2), and (8)) that is required to comply with the regulations issued

by the United States Department of Treasury under the Bank Secrecy Act including, but not limited to, the anti-money laundering program and customer identification program rules.

“Variable Payout Contract” means a Contract where the Market Outcome is a numerical value.

“Website” means the Exchange home page and related web pages on the Internet, or a website to which the Exchange home page links.

CHAPTER 2: EXCHANGE OWNERSHIP AND GOVERNANCE

RULE 2.1 OWNERSHIP

Railbird is a Nevada limited liability company. The management and operation of Railbird is governed by the Nevada Revised Statutes, the Operating Agreement and the Rules. Member status does not confer any equity interest or voting right in the Company.

RULE 2.2 BOARD OF DIRECTORS

- (a) As further described in the Operating Agreement, the Board has the power to manage and act on behalf of the Company, subject to Applicable Law and in accordance with the terms thereof, which shall include the power to (i) define the standards for membership in the Company, (ii) amend, adopt, or repeal these Rules, and (iii) oversee the business conduct of Members and impose penalties for violation of these Rules. The Board shall be comprised of the number of Directors permitted by the Operating Agreement, and the Company shall ensure that Public Directors comprise at least 35% of the Board (the “Public Director Requirement”); provided that, in the event that the removal or resignation of a Public Director results in the Public Director Requirement no longer being satisfied, one or more new Public Directors shall be appointed to the Board as promptly as reasonably practicable to the extent necessary to satisfy the Public Director Requirement. Each Director shall be appointed in accordance with the Operating Agreement and shall serve until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal. The Majority Members may remove a Director for any reason (including where the conduct of such Director is likely to be prejudicial to the sound and prudent management of the Company) or no reason and with such notice, if any, as they specify in a termination notice delivered to such Director.
- (b) The Board has the power and authority to (i) manage the business and affairs of the Company and (ii) review and affirm, modify, suspend or overrule any and all decisions and actions of standing committees or special committees of the Board or any panel of Officers related to the day to day business operations of the Company.
- (c) As further described in Rule 2.3 and Rule 2.5, the Board may delegate some or all of the day to day management of the Company to Officers and/or committees and subcommittees of the Board, subject to its ongoing oversight. Other than with

respect to the Outcome Review Committee, any authority or discretion by the Rules vested in any Officer or delegated to any committee or subcommittee of the Board 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.

- (d) As further described in the Nevada Revised Statutes, (i) a majority of the Board then in office (including at least one Public Director), at a meeting duly assembled, shall constitute a quorum for the transaction of business of the Board, and the act of Directors holding a majority of the voting power of the Directors, present at a meeting at which a quorum is present, shall be the act of the Board, and (ii) any action required or permitted to be taken at a meeting of the Board or of a committee thereof may be taken without a meeting if, before or after the action, a written consent thereto is signed by the required members of the Board or of the committee, in each case as permitted by Applicable Law and the Operating Agreement.
- (e) Each Director is entitled to indemnification pursuant to the Operating Agreement with respect to, among other things, matters relating to the Company.
- (f) Pursuant to Applicable Law, to qualify as a Public Director, an individual must be found to have no Material Relationship (as defined below) with the Company. Such finding shall be made 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, which shall be documented in a director and officer questionnaire. The Board need not consider previous service as a director of the Company or an Affiliate thereof for purposes of determining whether a Material Relationship exists. A Material Relationship is one that reasonably could affect the independent judgment or decision-making of the Director. In addition, 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 Member or an officer or director of a Member;
 - (3) Such Director is or was a Member or owner of Railbird or Railbird Technologies, LLC (or its predecessor-in-interest, Railbird Technologies Inc.), or a director, an officer, or an employee of a Member or owner of Railbird;
 - (4) Such Director is or was an officer of another entity that has a compensation committee (or similar body) and on which any Officer serves;
 - (5) Such Director is or was a member of the Regulatory Oversight Committee and accepted, directly or indirectly, any consulting, advisory, or other

compensatory fee from Railbird or any of its affiliates, any Member or Owner of Railbird, or any affiliate of such Member or Owner, provided that, not include amounts received in connection with (i) such Director's service as a director of Railbird or any of its affiliates or (ii) deferred compensation for services prior to becoming a director of Railbird (so long as such compensation is not contingent, conditioned or revocable);

- (6) Such Director, or a firm with which the Director is an officer, director, or partner, receives or received, directly or indirectly, more than \$100,000 in combined annual payments from Railbird, a Member or any of their respective Affiliates (excluding compensation for services as a Director of Railbird or an Affiliate, reimbursement of reasonable expenses, and deferred compensation for services prior to becoming a Director, so long as such compensation is in no way contingent, conditioned, or revocable); or
- (7) Any of the foregoing applies to such Director's "immediate family" (i.e., spouse, parents, children, and siblings, in each case, whether by blood, marriage or adoption).

- (g) The Board shall review its performance and composition, including Public Director independence, at least annually and as required by Applicable Law and CFTC Regulations.

RULE 2.3 OFFICERS

- (a) The Board may, from time to time as it deems advisable, appoint officers of the Company (the "Officers"), including a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Chief Regulatory Officer.
- (b) 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.
- (c) 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.
- (d) Each Officer is entitled to indemnification pursuant to the Operating Agreement with respect to, among other things, matters relating to the Company.

RULE 2.4 ELIGIBILITY AND FITNESS

- (a) Pursuant to Applicable Law, an individual may not serve as a Director or Officer, serve on a committee or subcommittee established by the Board, including the Disciplinary Panel, or hold a 10% or greater 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 (i) 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 (ii) 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 such 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 2.4(a), the terms “disciplinary offense,” “final decision” and “settlement agreement” have the meanings 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 Railbird’s Chief Regulatory Officer (the “Chief Regulatory Officer”) and Corporate Secretary (the “Corporate Secretary”) if such individual is subject to one or more of the criteria in Rule 2.4(a). Prior to nomination to the Board, each individual shall certify that he or she is not disqualified pursuant to Rule 2.4(a). 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 shall 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 shall satisfy any qualifications set forth from time to time in the Operating Agreement and these Rules.
- (e) An individual may not serve on any Disciplinary Panel, arbitration panel, or the Appeals Committee during any proceeding affecting or concerning such individual, his or her employer or any Affiliate thereof, to be determined in a reasonable manner by the Company.
- (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 COMMITTEES AND SUBCOMMITTEES GENERALLY

- (a) The Board may create standing committees as it may from time to time deem necessary or advisable to assist in the supervision, management and control of the affairs of the Company, and such committees shall have the power and authority granted to them by the Board. Initially, there shall be a Regulatory Oversight Committee, Disciplinary Panel, Outcome Review Committee, and Appeals Committee.
- (b) Except as otherwise specifically provided herein or in the resolutions of the Board establishing a standing committee, the manner and form of proceedings of such committee shall be conducted in the same manner as is provided in the Operating Agreement and these Rules for meetings of the Board; provided that in all cases a quorum for the transaction of business shall require at least one Public Director. The Board may abolish any standing committee at any time. Committee deliberations and voting are subject to the Company's conflicts procedures.
- (c) Except as otherwise specifically provided in these Rules or the Operating Agreement, the members of standing committees shall be appointed by the Board. Except as otherwise specifically provided herein or in the resolutions of the Board appointing such individual, each standing committee member shall serve until his or her successor is duly appointed and qualified, or until his or her earlier death, resignation or removal by the Board.
- (d) The Board may create additional committees or panels, for such purposes as may be necessary or advisable, as determined by the Board from time to time. Members of each such committee or panel may be members of the Board,

Members, or such other individuals as may be qualified to serve on such committee or panel. Any such committee or panel may exist indefinitely or for specified, limited periods of time, as determined by the Board. The Board may abolish any such committee or panel at any time.

RULE 2.6 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. There shall be at least two members of the Regulatory Oversight Committee at all times.
- (b) Each member of the Regulatory Oversight Committee shall serve from the date of his or her appointment until the earlier of (i) the due appointment of his or her successor and (ii) his or her earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee or as a Public Director.
- (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 the Disciplinary Panel in accordance with these Rules, Applicable Law and the composition requirements of the Disciplinary Panel. The Regulatory Oversight Committee shall appoint at least one person to the Disciplinary Panel who would not be disqualified from serving as a Public Director.
- (e) The Regulatory Oversight Committee shall prepare an annual report, in coordination with the Chief Regulatory Officer, that assesses the Company's self-regulatory program for the Board and the CFTC. The annual report will, among other things, set forth the regulatory program's expenses, describe its staffing and structure, catalogue disciplinary actions taken during the year, and review the performance of the Disciplinary Panel, as required by Appendix B to Part 38 of the CFTC Regulations.
- (f) 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 Members (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 Regulatory Officer of the Company, who will report directly to the Regulatory Oversight Committee;
 - (5) Recommend changes that would promote 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.
- (g) In determining the appropriate level of compliance resources and staff, the Regulatory Oversight Committee should consider trading volume increases, the number of new products or Contracts to be listed for trading, any new responsibilities to be assigned to compliance staff, the results of any internal review demonstrating that work is not completed in an effective or timely manner, and any other factors suggesting the need for increased resources and staff.
- (h) Consistent with Rule 2.5(b) above, the Regulatory Oversight Committee may only act by the decision of a majority of its members, including at least one Public Director. For the avoidance of doubt, if the Regulatory Oversight Committee consists of only two members at any given time, it may only act upon the decision of both members.

RULE 2.7 OUTCOME REVIEW COMMITTEE

- (a) The Outcome Review Committee shall be:
- (1) A standing committee consisting of three members who are appointed by the Regulatory Oversight Committee. At least two of the members must be Public Directors. Members of the Regulatory Oversight Committee may also concurrently serve on the Outcome Review Committee.
 - (2) Responsible for determining Market Outcomes as provided in Rule 7.1.
- (b) Each member of the Outcome Review Committee shall serve from the date of his or her appointment until the earlier of (i) the due appointment of his or her successor and (ii) his or her earlier resignation or removal, with or without cause, as a member of the Outcome Review Committee or as a Director.

RULE 2.8 EMERGENCY AUTHORITY

- (a) Railbird may adopt Emergency Rules in response to an Emergency. In the event of an Emergency, the Board or at least two members of the management team may, without giving prior notice to, or securing prior approval from, the Commission, adopt a temporary Emergency Rule to address the Emergency; provided that the adoption of a temporary Emergency Rule by the management team requires prior written authorization and acknowledgement of the applicable members of the management team, indicating the emergency action to be taken and the reasons for that action.
- (b) Any temporary Emergency Rule adopted under this Rule may authorize Railbird to act as the Board or management team deems necessary or appropriate to address, resolve and/or remediate the Emergency, which actions may adversely affect the ability to trade on the Platform. Therefore, the chance of an Emergency is one of the risks that Members should consider when deciding whether to trade on the Platform.
- (c) If deemed necessary to combat the Emergency (or the perceived threats thereof), the Chief Executive Officer or an official authorized by the Chief Executive Officer may, without giving prior notice to, or securing prior approval from, the Commission, suspend trading on the Platform or take any other action that such individual thinks is necessary or appropriate during the duration of the Emergency (an “Emergency Action”); provided that market suspensions, halts, or other action necessary to combat market threats caused by an Emergency require the directive of the Chief Executive Officer, Chief Operating Officer, Chief Regulatory Officer, or Railbird’s Head of Engineering. Such individual will order an end to the Emergency Action as soon as such individual determines that the Emergency (and the perceived threats thereof) has sufficiently abated to permit the Platform to function properly and without undue risk. Reasonable Emergency Actions to be taken under this Rule include but are not limited to:
 - (1) Liquidation or transfer of open positions in any Contract (provided that, in situations where a Contract is fungible with a contract on another platform, Emergency Action to liquidate or transfer open interest must be as directed, or agreed to, by the Commission or the Commission’s staff);
 - (2) Requiring Members in any Contract to meet special margin requirements;
 - (3) Modification to Position Limits, price limits, and intraday market restrictions;
 - (4) Ordering the fixing of a settlement price;
 - (5) Extending or shortening the expiration date or the trading hours;
 - (6) Reduction of positions and exposure by participating Members to certain Contracts;

- (7) Cancellation of a Contract and the return of any funds paid to enter Trades on the Contract;
 - (8) Suspension and curtailing of trading; and
 - (9) Changing a Contract's terms and conditions and/or specifications.
- (d) Railbird will make every effort practicable to notify the Director of the Division of Market Oversight, his delegates, and/or other persons designated by the CFTC Regulations that Railbird intends to implement, modify, or terminate a temporary Emergency Rule pursuant to Rule 2.8(a) or an Emergency Action pursuant to Rule 2.8(c) prior to the implementation, modification, or termination of the Emergency Rule or Emergency Action. If it is not possible to notify the Commission prior to the implementation, modification, or termination of the Emergency Rule or Emergency Action, Railbird will notify the Commission of the implementation, modification, or termination of the Emergency Rule or Emergency Action at the earliest possible time, and in no event more than 24 hours after its implementation, modification, or termination. Such notification will include an explanation of how conflicts of interest were minimized, including the extent to which the Exchange 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.
- (e) Any time that Railbird takes action in response to an Emergency, either under Rule 2.8(a) or Rule 2.8(c), Railbird shall publish a notice of such action on the Website, notify Members through the API, and/or notify Members via email. Railbird will also document its decision-making process and reasons for adopting an Emergency Rule or taking Emergency Action.
- (f) The Exchange may also take such market action as directed by the Commission.

RULE 2.9 VOTING BY INTERESTED BOARD MEMBERS

Core Principle 16 of Section 5(d) of the CEA requires that contract markets have adequate procedures to prevent conflicts of interest. In this regard, Railbird has adopted as Rules certain provisions of CFTC Regulation 1.69 and will comply with the requirements of such regulation.

RULE 2.10 INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHERS

As further described in the Operating Agreement, (i) each Person who is or was a Member (as defined in the Operating Agreement), Director or Officer of the Company or is or was a Member (as defined in the Operating Agreement), Director or Officer of the Company serving at the Company's request as a director, member, manager, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, or other entity (each such person, an "Indemnitee") shall, to the fullest extent permitted by Nevada law, be indemnified against expenses (including, without limitation, attorneys' fees, costs, expenses, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by the Indemnitee in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil,

criminal, administrative, or investigative, whether or not an action, suit or proceeding by or in the right of the Company, to which the Indemnitee is, was, or is threatened to be made a party by reason of being an Indemnitee, and (ii) the Company may, by action of the Board and to the extent provided in such action, indemnify employees and other persons as though they were Indemnitees.

RULE 2.11 PROHIBITION ON USE OF MATERIAL, NON-PUBLIC INFORMATION

- (a) CFTC Regulation 1.59 prohibits employees, board members, committee members, and consultants from using or disclosing material, non-public information obtained through their official duties. This Rule adopts and applies those prohibitions, as implemented in Chapter 12.
- (b) No Board or committee member, employee, or consultant shall (i) use material, non-public information obtained through service to Railbird for personal benefit or for the benefit of any other Person or (ii) disclose such information to any other Person, except as necessary to perform official duties for Railbird on a need-to-know basis, or as required by Applicable Law, subpoena, or request of a Regulatory Agency, or to outside counsel, auditors, or service providers bound by confidentiality.
- (c) No Board or committee member, employee, or consultant may trade, for any account, in any commodity interest on the basis of material, non-public information obtained through special access in the course of such Person's duties.
- (d) No Member who, inadvertently or otherwise, obtains material, non-public information of Railbird (including information held by Railbird personnel and gained through their service may disclose it or trade, for any account, in any commodity interest on the basis of such information.
- (e) For purposes of this Rule, the terms "material information," "non-public information," "linked exchange", "commodity interest," and "related commodity interest" have the same meanings as they do in CFTC Regulation 1.59.

RULE 2.12 CONSENT TO JURISDICTION

Any Person or Member initiating, executing, or clearing trades, or functioning as an intermediary in connection with a transaction subject to these Rules, directly or indirectly, and any Person or Member for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of Railbird and agrees to be bound by and comply with the Rules of the Company in relation to such transactions, including, but not limited to, Rules requiring cooperation and participation in investigatory and disciplinary processes.

RULE 2.13 RECORDKEEPING

- (a) Railbird 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. Railbird must maintain such records, including trade records and investigatory and disciplinary files, in accordance with the requirements of CFTC Regulation 1.31 and in any event for a period of at least five (5) years.

- (b) Railbird shall retain all such books and records in a form and manner acceptable to the Commission and in accordance with the CEA and CFTC Regulations.
- (c) Railbird 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 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. This shall include any records relating to swaps defined in section 1a(47)(A)(v) of the CEA open to inspection and examination by the U.S. Securities and Exchange Commission.
- (d) With respect to all listed option contracts that are defined as swaps in section 1a(47)(A)(v) of the CEA (“Swap Contracts”), Railbird will seek relief from the CFTC for reporting swap data to a swap data repository. To be eligible for such relief, Railbird will comply with the below-listed conditions for all Swap Contracts, and the Chief Regulatory Officer will be responsible for ensuring that the Exchange remains in compliance with these conditions:
 - (1) Railbird will require all binary option contracts to be fully collateralized positions, as defined by CFTC Regulation 39.2;
 - (2) Railbird will clear all binary option contracts through a Clearinghouse;
 - (3) Railbird will publish on the Website the following information on all Railbird binary options transactions promptly after execution thereof: trade timestamp, contract, quantity, and price;
 - (4) Railbird will provide the CFTC with all transactional information as described in CFTC Regulation 16.02.
 - (5) Railbird and the Clearinghouse will comply with all swap reporting and recordkeeping requirements of the CEA and CFTC Regulations applicable to each in their respective capacities as a Designated Contract Market and Derivatives Clearing Organization, respectively, other than the reporting requirements for which they are granted relief, including, but not limited to, the applicable requirements of Parts 38 and 39 of the CFTC Regulations (the records required to be retained by this condition (5) are referred to below as the “Required Records”);
 - (6) Railbird will not allow Members to clear a Railbird binary option contract through a third-party clearing Member; and

- (7) Railbird and the Clearinghouse will make the Required Records open to inspection upon request by any representative of the CFTC, the United States Department of Justice, or the Securities and Exchange Commission, or by any representative of a prudential regulator as authorized by the CFTC. Copies of all such records shall be provided, at the expense of Railbird or the Clearinghouse, as applicable, to any representative of the CFTC upon request. Railbird or the Clearinghouse, as applicable, shall provide copies of the Required Records either by electronic means, in hard copy, or both, as requested by the CFTC, with the sole exception that copies of records originally created and exclusively maintained in paper form may be provided in hard copy only.

RULE 2.14 INFORMATION-SHARING AGREEMENTS

- (a) Railbird may enter into any information-sharing agreements or other arrangements or procedures, including an information-sharing agreement or other arrangement or procedure with any Person or body (including but not limited to a Regulatory Agency) 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.
- (b) Railbird 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 2.15 RECORDKEEPING AND REPORTING REQUIREMENTS

- (a) In the event the Board rejects a recommendation or supersedes an action of the Regulatory Oversight Committee or the Chief Regulatory Officer, Railbird shall maintain documentation detailing:
 - (1) The recommendation or action of the Regulatory Oversight Committee or the Chief Regulatory 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) Railbird shall record and report to the CFTC all data required to be reported to the CFTC under Part 16 of CFTC Regulations, in the form and manner required by CFTC Regulations.

- (c) Railbird 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) 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.
- (d) Railbird shall submit to the CFTC, within thirty days after each Director appointment, the name of such Director and the Member interests they represent.

RULE 2.16 PUBLIC INFORMATION

- (a) Accurate, complete and current copies of these Rules will be published on the Website, and Contract Specifications will be published in Chapter 13 of this Rulebook and the Website. Railbird will provide information that it believes, to the best of its knowledge, is accurate and complete, and will not omit material information.
- (b) Railbird 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, Railbird shall publish on the Website a notice regarding new product listings, new Rules, Rule amendments, modifications to Contract Specifications, or other changes to previously-disclosed information concurrently with the filing of such information or submission 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.
- (e) Any notice contemplated by this Rule shall be deemed to have been made to all Members and any other Persons by (i) sending such notice to such Persons' email addresses on file with the Company and/or (ii) making such notice available via the Railbird API and/or the Website.

CHAPTER 3: MEMBERSHIP

RULE 3.1 SELF-CLEARING MEMBERS – APPLICATIONS, AGREEMENTS, ELIGIBILITY CRITERIA, CLASSIFICATIONS, AND PRIVILEGES

Railbird will provide access to the Platform (including the central limit order book) and related services in an impartial, transparent, and non-discriminatory manner that is not anti-competitive.

- (a) To be eligible to become a Self-Clearing Member, an applicant must:
 - (1) Be a Person;

- (2) Provide Railbird with any information or documentation Railbird deems necessary in order to verify the applicant's identity, perform a criminal background check, or otherwise review information provided on an application or by a third-party provider;
- (3) Maintain an account, or accounts, in the Self-Clearing Member's name with a U.S. Financial Institution that the Member will use to fund its Railbird account at a Clearinghouse, and to receive funds from its Railbird account, or, if the Self-Clearing Member is a non-United States resident, have an account or accounts in the Self-Clearing Member's name with either a U.S. Financial Institution or a Foreign Bank capable of transacting with the applicable Clearinghouse either directly, through a correspondent account, or other acceptable intermediary that the Self-Clearing Member will use to fund its Railbird account at such Clearinghouse, and to receive funds from its Railbird account via one of the acceptable methods as stated on the Website;
- (4) 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, does not include any such Person among its beneficial owners;
- (5) If an applicant is an entity, be validly organized and in good standing in its jurisdiction of organization;
- (6) Have a good reputation and business integrity and maintain adequate financial resources and credit;
- (7) Not have filed for bankruptcy and not be insolvent;
- (8) Be eligible to be admitted as a clearing member of a Clearinghouse in accordance with the applicable Clearinghouse's rulebook; and
- (9) Certify the following:
 - (i) The applicant is old enough to enter into a legally enforceable contract and has reached the required age as stated on the Self-Clearing Member Agreement;
 - (ii) The applicant has read, understands and agrees to comply with the Rulebook, Terms of Use, Privacy Policy, and Self-Clearing Member Agreement; and
 - (iii) The applicant will trade only for itself and will not serve as an intermediary for any other Person.

- (b) In order to become a Self-Clearing Member, an applicant must complete an online member application (the “Self-Clearing Member Application”) and provide Railbird with any other relevant information upon request. Railbird may return any account balance and terminate any account upon the discovery that such Self-Clearing Member Application was completed by anyone other than the Person identified on such Self-Clearing Member Application. All funds deposited by Self-Clearing Members shall constitute “Self-Clearing Member Property” in accordance with CFTC Regulations.
- (c) Submission of a Self-Clearing Member Application to Railbird constitutes the applicant’s agreement to be bound by these Rules and other policies of Railbird. Among other things, this also includes the applicant’s agreement to become a member of Railbird’s Clearinghouses and be bound by such Clearinghouse’s rules in its capacity as a Designated Clearing Organization.
- (d) If an application is approved by Railbird, the applicant will be a Self-Clearing Member and will have the following privileges, which Railbird may revoke, amend, or expand in accordance with, or by amending, these Rules:
 - (1) To maintain a Railbird account;
 - (2) To buy Contracts on the Platform using the funds in its Railbird account;
 - (3) To sell Contracts on the Platform using the funds in its Railbird account;
 - (4) To view “real-time” the same best bids to buy and offers to sell the Contracts traded on the Platform as are available to all other Members;
 - (5) To view the current trading volume and open interest for the Contracts traded on the Platform; and
 - (6) To view all non-secure parts of the Website, including these Rules, and descriptions of Contracts traded on the Platform as well as all secure parts of the Website outlined above in Rule 3.1(d)(1)-(5).
- (e) Railbird may in its sole discretion approve, deny, or condition any Self-Clearing Member Application as Railbird deems necessary or appropriate.
 - (1) In the event that the Company’s staff decides to decline or condition an application for admission as a Self-Clearing Member, or to terminate a Person’s status as Self-Clearing Member, the Company staff shall notify such Person thereof in a written notice sent to the address provided by the Person in the Self-Clearing Member Application or maintained in the Company’s registry of Members. The written notice will specify the basis for the Company’s decision. Such Person may, within 28 Business Days, request in writing that the Company reconsider the determination.

- (2) Within 28 Business Days of receiving a request for reconsideration, the Company shall confirm, reverse or modify the denial, condition or terminate the Self-Clearing Member status of such Person, and shall promptly notify such Person accordingly in writing. The Company 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 Company's decision is final and is not subject to appeal.
- (f) A Self-Clearing Member may not maintain and/or trade more than one Railbird account.
- (g) Applicants for Self-Clearing Member status of the Company may withdraw their applications at any time without prejudice or without losing their right to apply at a future time.
- (h) Railbird will apply Self-Clearing Member access criteria in an impartial, transparent and non-discriminatory manner that is not anti-competitive.

RULE 3.2 FCMs

- (a) The Exchange will allow FCMs to access the Platform and related services in an impartial, transparent and non-discriminatory manner that is not anti-competitive to enable, subject to the terms and conditions herein, an FCM's customers to become FCM Customers. The Exchange may, in its sole discretion, approve, deny, or condition any application to become a FCM Member (a "FCM Member Application") as the Exchange deems necessary or appropriate, so long as such denial is applied in an impartial, transparent, and non-discriminatory manner that is not anti-competitive.
- (b) To be eligible to become an FCM Member, an applicant must:
 - (1) Be validly organized, in good standing, in the United States;
 - (2) Be registered as a Futures Commission Merchant by the National Futures Association;
 - (3) Execute the FCM Member Agreement;
 - (4) Have adequate financial resources and credit as required by CFTC Regulation 1.17;
 - (5) Maintain such minimum financial requirements and related notice requirements in compliance with CFTC Regulation 1.12;

- (6) Designate at least one person who is responsible for supervising all activities of its employees relating to transactions effected on the Exchange or subject to these Rules and provide any information the Exchange may request regarding its officer(s);
 - (7) Submit to the Exchange a letter confirming that the applicant will maintain all Customer Funds deposited with it in appropriate Customer Segregated Accounts separated from funds of Non-Customers, as required by CFTC Regulations;
 - (8) Agree to be bound by these Rules;
 - (9) Submit to the Exchange a guarantee agreement on a form prescribed by the Exchange defining the FCM's obligation to guarantee the applicant's transactions and those of the applicant's Customers, signed by the FCM; and
 - (10) Submit to the Exchange an agreement authorizing the Exchange to unilaterally instruct its Clearinghouses to debit accounts in accordance with the Rules and in amounts solely determined by the Exchange.
- (c) FCMs must adopt, adhere to and enforce risk management and other policies and procedures in accordance with CFTC Regulation 1.11 and promptly provide, upon request by the Company or the CFTC, information related to the risk management policies, procedures and practices of the FCM.
 - (d) FCMs must perform adequate AML/KYC screening of their customers. The Exchange reserves the right to audit the FCM's AML/KYC screening process to ensure that the FCM is, at a minimum, performing screening equivalent to that which the Exchange performs for its Self-Clearing Members.
 - (e) FCMs must, on an annual basis, submit their Business Continuity and Disaster Recovery plans to the Exchange's compliance team for review. FCMs must ensure that their plans coordinate with those of the Exchange.
 - (f) FCMs must become clearing members (or equivalent term) of the Exchange's Clearinghouse(s), pursuant to the rules and obligations required by such Clearinghouse(s). All funds deposited by FCM Members shall constitute "Member property" in accordance with CFTC Regulations.
 - (g) For FCM Customers trading event contracts offered on the Exchange, FCMs must treat their customers' collateral as cleared swaps collateral pursuant to Part 22 of the CFTC Regulations.
 - (h) FCMs must provide their FCM Customers accurate information as listed below. Information required to be transmitted or made available must be provided to the best of the FCM's knowledge, must be accurate and complete, and must not omit

material information. Information that must be provided includes but is not limited to the following:

- (1) A copy of the Rulebook that is accurate, complete, current, and readily available;
 - (2) The terms and conditions of each Contract listed for trading on the Platform;
 - (3) Rules, regulations, and mechanisms for executing transactions;
 - (4) Public information pertaining to new product listings, new rules, rule amendments, or other changes to previously disclosed information; and
 - (5) Any other information relevant to the operation of the Exchange or Contracts listed for trading.
- (i) If a FCM Member Application is approved by the Exchange, the applicant will be an FCM of the Exchange and will have the following privileges:
- (1) To intermediate transactions on the Exchange;
 - (2) To distribute Exchange data to its Customers pursuant to any data distribution agreement with the Exchange; and
 - (3) To access the Platform electronically.
- (j) The Exchange may, in its sole discretion, approve, deny, condition, or terminate any FCM Member Application as the Company deems necessary or appropriate. In the event that Company staff decides to decline or condition an application for admission as an FCM, or terminate a Person's status as an FCM Member, the Company's staff shall notify such FCM thereof in a written notice sent to the email address provided by the FCM in the FCM Member Application or maintained in the Company's registry of Members. The written notice will specify the basis for the Company's decision. Such FCM may, within 28 Business Days, request in writing that the Company reconsider the determination. Within 28 Business Days of receiving a request for reconsideration, the Company shall confirm, reverse, or modify the denial, condition, or termination of the FCM status of such FCM, and shall promptly notify such FCM accordingly in writing. The Company may, in its sole discretion, schedule a hearing (in person or by teleconference), request additional information from such FCM or establish any other process that it believes is necessary or appropriate to consider the request for reconsideration. The Company's decision is final and not subject to appeal.

RULE 3.3 FCM CUSTOMERS

- (a) FCM Customers are subject to and required to adhere to all rules of the relevant FCM, as well as the Rules. Prior to allowing FCM Customers to trade, FCMs are

required to ensure and document that their FCM Customers are aware of and acknowledge the Rules, including this Rulebook, and the Source Agency prohibition set forth in Rule 5.16(u).

- (b) FCM Customers are allowed to have (i) accounts with multiple FCMs and (ii) both a Self-Clearing Member account and a customer account with an FCM. However, an FCM Customer must not intentionally match its own orders against its other accounts. If an FCM Customer places orders that match each other, that may constitute a trading violation that will subject the FCM Customer to discipline under these Rules, as well as violate the CEA and CFTC Regulations. Before an FCM Customer trades on the Exchange with multiple accounts, it must disclose the identity of each account to the Exchange by email, or any other manner as specified by the Exchange.
- (c) An FCM Customer who is closing its account with an FCM may request to move positions to the FCM Customer's own account with the Exchange and with the applicable Clearinghouse and to no longer have the positions in an account carried by the FCM.
- (d) An FCM Customer must adhere to all relevant Position Limits. For purposes of determining compliance with any applicable Position Limit, positions in all accounts of which the FCM Customer is the beneficial owner will be aggregated.
- (e) If an FCM Customer's account with the FCM has a negative balance due to the FCM Customer's activity on the Platform, with the result that the FCM Customer owes the FCM money, the FCM may liquidate some or all of the FCM Customer's positions.

RULE 3.4 OBLIGATIONS APPLICABLE TO ALL MEMBERS

- (a) Each Member must comply with these Rules, applicable provisions of the CEA and CFTC Regulations. Each Member must also cooperate promptly and fully with Railbird, its agents, and/or the Commission in any investigation, call for information, inquiry, audit, examination, or proceeding. Such cooperation shall include providing Railbird with access to information on the activities of such Member, and in the case of an FCM Member, its customers, in any referenced market that provides the underlying prices for any Contract. Additionally, each Member must update its email address within 24 hours after any change and update all other information provided in its Member Application within five days after that information has changed. If any Member fails to satisfy these obligations, Railbird may revoke or suspend the Member's privileges in full or in part. Each Member may also be subject to civil or criminal prosecution.
- (b) Without violation of any other agreement(s) between Member, on the one hand, and Railbird or any Affiliate of Railbird, on the other hand, each Member consents to Railbird providing all information Railbird has about the Member, or the Member's customers (in the case of FCM Members), including the Member's

trading activity, to the Commission or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information-sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals, in each case without notice to the Member.

- (c) Each Member consents to Railbird providing information related to Know Your Customer or Anti-Money Laundering to the Clearinghouse.
- (d) Each Member is required to review the “Notices” section of the Website to make itself aware of material changes to these Rules or other notices that may affect its rights and obligations as a Member of Railbird.
- (e) Each Member must immediately notify Railbird in writing upon becoming aware:
 - (1) That the Member has had access or trading privileges suspended, or membership denied, in any commodity, securities, or swaps exchange, brokerage, association, or Regulatory Agency;
 - (2) That the Member 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;
 - (3) That the Member has been convicted of, pled guilty or no contest to, or entered a plea agreement to a misdemeanor in any domestic, foreign or military court which involves:
 - (i) Embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, tax evasion, counterfeiting, false pretenses, bribery, gambling, racketeering, or misappropriation of funds, securities, or properties; or
 - (ii) Any transaction in or advice concerning swaps, futures, options on futures, leveraged transactions or securities;
 - (4) That the Member has been subject to, or associated with a firm that was subject to regulatory proceedings before any governmental or Regulatory Agency;
 - (5) That the Member is currently a party to any investigation or proceeding, the resolution of which could result in an event described in Rule 3.4(e)(1)-(4);
 - (6) Of any other material change in any information contained in the Member Application;
 - (7) Of becoming subject to early warning reporting under CFTC Regulation 1.12;

- (8) Of becoming the subject of a bankruptcy petition, receivership proceeding, or the equivalent, or being unable to meet any financial obligation as it becomes due; or
- (9) Of information that concerns any financial or business developments that may materially affect the Members' ability to continue to comply with participation requirements.
- (f) A Member is not required to engage in trading activity or maintain a minimum balance in its account after initial funding.
- (g) Each Member, 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 CEA Section 5(h).
- (h) Railbird shall enforce its audit trail and recordkeeping requirements through periodic reviews of Members subject to Railbird's recordkeeping requirements. Such reviews shall include, but are not limited to, reviews of randomly selected samples of front-end audit trail data; a review of the process by which user identifications are assigned and user identification records are maintained; a review of usage patterns associated with user identifications to monitor for violations of user identification rules; and reviews of account numbers and customer type indicator codes in trade records to test for accuracy and importer use. Railbird's enforcement of its audit trail and recordkeeping requirements shall include identification of Members that have failed to maintain high levels of compliance with such requirements, and impose meaningful sanctions when deficiencies are found. Such sanctions shall be sufficient to deter recidivist behavior.
- (i) Each Member shall maintain appropriate books and records of its trading, including records of any activity in the underlying commodity and related derivatives markets, and make such records available, upon request, to Railbird. Such books and records may also include, but are not limited to, records required to be retained pursuant to CFTC Regulation 1.35.
- (j) The Exchange offers direct access to its Self-Clearing Members via its user interface. For disintermediated, Self-Clearing Members, Railbird will maintain a database of read-only audit trail data on behalf of its Members. Railbird will perform an annual audit of such trade information using the trade data currently being collected by both the Exchange and FCMs and compare it against the immutable trade data stored in its database to confirm that the Exchange is storing trade information sufficient to reconstruct trading activity.
- (k) The Exchange will conduct annual Member audit trail reviews for those Members who maintain their own audit trail information. This review will ensure that the Member maintains accurate trading records in compliance with CFTC Regulation

1.35. Any deficiencies in the audit trail identified by the Exchange shall be remediated in a timely manner. Recurring deficiencies shall be subject to regulatory sanctions up to and including fines or cancellation of membership.

RULE 3.5 FCM OBLIGATIONS

- (a) FCMs shall comply with all Applicable Laws, including but not limited to CFTC Regulations 1.10, 1.12, 1.20-1.32, and 155.3.
- (b) FCMs shall have obligations in addition to the obligations applicable to all other Members. Each FCM shall receive an identification number that the FCM will use as appropriate when required to identify actions and activities of the FCM.
- (c) Each FCM must submit monthly Form 1-FR-FCM or FOCUS reports, including supplementary information in the form prescribed by the CFTC (such as the unaudited monthly reports as of the FCM's fiscal year end), as well as the certified annual Form 1-FR-FCM or FOCUS reports as of the FCM's fiscal year end within the timeframe required by CFTC Regulation 1.10.
- (d) Each FCM must maintain a separately identifiable position account for each FCM Customer and provide that account identifier with every order submitted to the Exchange.
- (e) Each FCM must use due diligence in receiving and handling orders from FCM Customers, submitting such orders on the Exchange on behalf of such FCM Customers, responding to inquiries from FCM Customers about their orders and reporting to FCM Customers the execution of such orders. This specifically includes ensuring that FCM Customers adhere to all relevant Position Limits in their FCM accounts and establishing automated pre-trade risk controls.
- (f) Each FCM must maintain policies and procedures applicable to the Exchange that:
 - (1) With respect to each FCM Customer who is an individual, restricts access to any system through which such individual FCM Customer submits orders to the FCM for transmission to the Exchange to that individual FCM Customer; and
 - (2) With respect to each FCM Customer who is not an individual:
 - (i) Restricts access to any system through which the FCM Customer's orders may be submitted to the FCM for transmission to the Exchange to such individuals authorized to enter orders on behalf of such FCM Customer;
 - (ii) When required by the Exchange, each FCM Customer who is not an individual must have and maintain a Legal Entity Identifier

deemed acceptable under CFTC Regulations, which shall be provided to the Exchange; and

- (iii) Identifies each individual authorized to enter orders on behalf of such FCM Customer by a distinct identification code, which shall be provided to the FCM and the Exchange with each order message submitted by such FCM Customer.
- (g) FCMs must perform all required Know Your Customer, customer identification program and Anti-Money Laundering activities for their FCM Customers. The Exchange reserves the right to audit an FCM's policies and procedures related to AML and/or KYC matters.
- (h) Each FCM must maintain policies and procedures that require its FCM Customers to make the records that such customers are required to maintain under Rule 3.4 available to the FCM upon request, and the FCM must make that information available to the Exchange upon its request.
- (i) FCMs may maintain a proprietary trading account for Exchange contracts, as well as error accounts, and an account used to liquidate FCM Customer positions as allowed under this Chapter, or equivalent accounts with similar purposes. Any proprietary trading by an FCM may only be done in accordance with CFTC Regulation 155.3 and any other Applicable Law. The FCM proprietary trading account shall be treated as either an FCM Customer or may elect to act as a Self-Clearing Member. Under no circumstances shall an FCM hold a house account for trading on the Exchange that is not onboarded as either an FCM Customer or Self-Clearing Member.
- (j) An employee of an FCM, including an associated person of the FCM, may trade Exchange contracts for his or her personal account only under the following circumstances:
 - (1) All such trading of Exchange contracts by an employee shall occur in a trading account held by the FCM with which he or she is registered or employed. No employee may be a Self-Clearing Member or maintain an interest, or control the trading, in the account of any direct Self-Clearing Member or maintain an interest, or control the trading, in the account of any direct Self-Clearing Member.
 - (2) The FCM must notify the Exchange in a manner that the Exchange instructs, prior to permitting the FCM's employee to submit orders to the Exchange, of the employee's name and account identifier and identify that account as belonging to an employee.
 - (3) The FCM must notify the Exchange immediately, in a manner the Exchange instructs, in the event that the FCM's associated person and/or employee is no longer registered and/or employed by the FCM.

- (k) Each FCM is responsible for supervising the FCM's employees and the FCM's compliance with all Applicable Laws, CFTC Regulations and these Rules. Each FCM shall be responsible for the acts or omissions of its employees, and may be liable for any fines imposed upon its employees by the Exchange. Any violation of Exchange Rules by an FCM employee may be considered a violation by the FCM.
- (l) Each FCM must make and file reports in accordance with CFTC Regulations and the National Futures Association in a manner and form and at such times as may be prescribed by the Commission or the National Futures Association.
- (m) Each FCM must make and file reports with the Exchange at such times, in such manner and form, and containing such information as the Exchange may prescribe from time to time.
- (n) Each FCM, upon a request of the Exchange or any Regulatory Agency, must promptly respond to any requests for information. This includes but is not limited to any information requested by the Exchange in order to investigate a potential violation of these Rules by an FCM Customer or information relevant to the FCM's financial resources or customer positions.
- (o) Each FCM must certify in the FCM Member Agreement to the Exchange that its system has the capacity to mitigate market disruptions or system anomalies associated with electronic trading, and is responsible for periodically testing its system to ensure all transactions submitted to Railbird comply with the Rules.
- (p) Each FCM must prepare, maintain and keep current those books and records required by the Rules and Applicable Law, including CFTC Regulation 1.18, which is incorporated herein by reference. Such books and records shall be open to inspection and promptly provided to the Exchange, its designated self-regulatory organization, the Commission and/or the U.S. Department of Justice, upon request.
- (q) FCMs are required to maintain audit trail information for all of their FCM Customers in a manner prescribed by the Exchange. FCMs are subject to an annual review of audit trail compliance to ensure such data is collected and maintained.

RULE 3.6 REJECTION OF APPLICANT AND LIMITATIONS OF PRIVILEGES

- (a) Notwithstanding Railbird's authority granted under any other Rule, Railbird may, in its sole discretion, (i) deny any Member Application or (ii) suspend, revoke, limit, condition, restrict, or qualify the trading or other privileges of any Member, or any authorized trader thereof, in each case as it deems necessary or appropriate in its sole discretion.
- (b) An account owner who has had trading privileges limited pursuant to Section (a) of this Rule will be provided, in writing, the reason such action was taken.

- (c) If Railbird denies the Member Application of any applicant or places limitations on trading privileges pursuant to this Rule, the applicant whose membership has been denied and/or trading privileges have been limited may appeal the decision by filing with Railbird a petition for review of such membership denial or trading limitation. The petition must describe in detail the reasons why the Member Application should be approved or trading limitations removed, as applicable. The petition must be filed within 28 days from the date upon which notice of the denial of membership or limitation of trading privileges was provided by Railbird. The decision of the Company will be final. An applicant that has been denied membership by the Company will not be eligible for re-application during the six months immediately following such denial.
- (d) If trading privileges are limited pursuant to Section (a) of this Rule, Railbird may initiate a transfer of the Member's balance to the bank account on record, or cause for the same to be effected by a Clearinghouse.
- (e) Railbird has full discretion to limit or restrict a Member from trading in specific Contracts or categories of Contracts to mitigate risks of market manipulation.

RULE 3.7 COMMUNICATIONS BETWEEN RAILBIRD AND MEMBERS

- (a) Each Member must provide Railbird with its current email address and immediately notify the Company of any changes. All communications between Railbird and its Members, including confirmation of all Transactions executed on a Member Account, may be transmitted by email, on the Website, or via the Railbird API. For FCM Customers, notices to the relevant FCM will constitute notice to the FCM Customer unless these Rules require direct notice. The Exchange may also communicate directly with FCM Customers where appropriate.
- (b) A Member is responsible for promptly reviewing and, if necessary, responding to all communications from Railbird.
- (c) Railbird may record conversations and retain copies of electronic communications between the Company and Members. Railbird shall retain such records for the retention periods necessary to comply with CFTC Regulation 1.31 or such longer period as the Company deems appropriate.

RULE 3.8 MEMBER FUNDS

All Member funds deposited with a Clearinghouse shall be held in accordance with CFTC Regulations in accounts identified as Member Accounts. Such funds shall be segregated by the applicable Clearinghouse and treated as belonging to such Members.

RULE 3.9 DUES, FEES, AND EXPENSES PAYABLE BY MEMBERS

- (a) Members are not required to pay dues.

- (b) Members may be charged fees in connection with the trading of Contracts in such amounts as may be revised from time to time to be reflected on the Website. Such fee structure will be designed and applied in a non-discriminatory manner.
- (c) Members may be charged fees for Settlement of Contracts in an amount to be reflected from time to time on the Website.
- (d) Railbird may cause and/or instruct any Clearinghouse to deduct from the Member Account fees or expenses incurred in connection with the Member's trading or account activity or Railbird's administration in connection with that activity, such as fees for wire transfer or other payment methods processing fees. All such fees will be charged in an amount to be reflected from time to time on the Website. For Self-Clearing Members, such fees will be deducted from the Self-Clearing Members' Member Account, and for FCM Customers, from the relevant FCM Members' Member Account.
- (e) If Railbird determines in the future to impose dues or additional fees, the Member will be provided notice of the change at the time the amended fees are filed with the Commission. The new fee structure will be implemented no earlier than on the first available trade date for which the change may be implemented according to the Commission's self-certification filing requirements as set forth in CFTC Regulation 40.6(a).
- (f) Railbird may from time to time establish incentive programs that provide Members with incentives that encourage membership and trading.

RULE 3.10 OPERATOR ID AND FIRM ID REQUIREMENTS

Each Member is required to have an Operator ID in order for the Exchange to identify individual traders. The Exchange shall assign each Member an Operator ID upon registration.

In addition, legal entity Members shall be assigned a Firm ID, and each individual authorized to trade on behalf of the legal entity Member shall be assigned an Operator ID. Legal entity Members are required to maintain and keep current their list of individual(s) holding Operator IDs to trade on behalf of the legal entity Member on the Exchange, and must notify the Exchange of any additions or deletions to the list within 10 days thereof. Failure to maintain a current list, or unauthorized use of Operator IDs, shall result in disciplinary action.

RULE 3.11 AFFILIATE MEMBERS

The Exchange has one or more Affiliates that may be permitted to operate as a Member on the Platform; provided that such Affiliate(s) will:

- (a) not have access to the Exchange's material non-public information, as defined in CFTC Regulations 1.59(a)(5) and (6); provided, however, a common director of the Exchange and such Affiliate, if any, may share information consistent with CFTC Regulation 1.59(d);

- (b) not receive preferential treatment in any respect, including with respect to the Exchange's disciplinary processes and pricing;
- (c) be subject to the same access criteria and must abide by the same Rules as all other Members; and
- (d) be subject to information barriers to maintain separation from the Exchange in accordance with Applicable Law and CFTC Regulations.

CHAPTER 4: MARKET MAKERS

RULE 4.1 ELIGIBILITY CRITERIA FOR DESIGNATION AS A MARKET MAKER

- (a) Members must be in good standing to become a Market Maker.
- (b) The Exchange shall have sole discretion regarding whether a Member is designated as a Market Maker, applied in a fair and non-discriminatory manner and consistent with Applicable Law and any published Market Maker program.
- (c) The Exchange may set and publish any specific requirements with which the Member must comply to become a Market Maker.
- (d) A Member must execute and deliver a Market Maker agreement with the Exchange to be considered for Market Maker status.
- (e) The designation of any Market Maker may be suspended, terminated or restricted by the Exchange at any time and for any reason, consistent with any published Market Maker program.
- (f) The Exchange may designate more than one Market Maker, and there may be more than one Market Maker participating on the Exchange.
- (g) There may be more than one active Market Maker program on the Exchange at any given time.

RULE 4.2 DESIGNATION AS A MARKET MAKER

- (a) To determine whether a Member shall be designated as a Market Maker, the Exchange shall consider the Member's available financial resources, technological capabilities and systems connectivity, relevant experience, business reputation, regulatory history, fitness and any other relevant factor.
- (b) No Member shall be designated as a Market Maker without the Member's consent.
- (c) The Exchange may periodically conduct an evaluation of any Market Maker to determine whether it has fulfilled performance standards relating to, among other things, quality of the markets, competitive market making, observance of ethical

standards, and administrative soundness, in each case as set forth in the relevant published Market Maker program. If the Market Maker fails to meet minimum performance standards, the Exchange may, among other things, suspend, terminate or restrict the Market Maker's designation.

RULE 4.3 MARKET MAKER BENEFITS

Market Makers may receive benefits for fulfilling the Market Maker obligations, including but not limited to financial benefits, reduced fees, differing Position Limits and Position Accountability Levels, and operational benefits, in accordance with any relevant Market Maker program in place at the Exchange. For the avoidance of doubt, such benefits (i) shall comply with Applicable Law and (ii) shall not include access to material, non-public information.

RULE 4.4 MARKET MAKER OBLIGATIONS

- (a) A Market Maker's transactions must be reasonably calculated to contribute to the maintenance of a fair and orderly market, and a Market Maker shall not make bids or offers or enter into transactions that are inconsistent with this goal.
- (b) A Market Maker is required to perform all requirements and obligations delineated in the relevant Market Maker agreement and in the relevant Market Maker program in place at the Exchange. These requirements and obligations include, but are not limited to, maintaining two-sided markets (i) within a defined spread with a minimum depth during trading, and (ii) in the products specified by the relevant Market Maker program.

RULE 4.5 MARKET MAKER POSITION ACCOUNTABILITY LEVELS

- (a) Market Makers are generally subject to the position Accountability Level rules set forth in Rule 5.17. However, the Exchange may establish higher position Accountability Levels for Market Makers on Contracts where the Market Maker has quoting obligations. Unless otherwise specified, on these Contracts, Market Makers will have position Accountability Levels that are 10 times the position Accountability Levels for non-Market Makers.
- (b) For Contracts with respect to which a Market Maker is required to adhere to the Market Maker obligations set forth in Rule 4.4(b), Market Makers will not be subject to the Position Limits imposed under Rule 5.17, and will instead be subject to position Accountability Levels.
- (c) In no instance may a Market Maker's position exceed any applicable limit established by the CFTC.

CHAPTER 5: METHOD FOR MEMBERS TO TRADE CONTRACTS

RULE 5.1 PRIOR REVIEW OF THESE RULES AND ACCEPTANCE OF TERMS OF MEMBER AGREEMENT

- (a) No Person may become an FCM Member or Self-Clearing Member or trade any Contracts on the Platform unless such Person has received, read, understood, and accepted this Rulebook, Terms of Use, Privacy Policy, and FCM Member Agreement or Self-Clearing Member Agreement (as applicable) and has certified that it has done so.
- (b) FCM Members may not allow their FCM Customers to enter orders or otherwise engage in any trading on the Exchange as a customer of that FCM Member unless such FCM Member has obtained certification from the FCM Customer that the FCM Customer has received, read, understood, and accepted these Rules and the Source Agency prohibition.

RULE 5.2 SELF-CLEARING MEMBER ACCESS TO RAILBIRD

- (a) During the Member Application process, an applicant to become a Self-Clearing Member will be required to choose a unique user identification (“ID”) and password. The applicant will be required to enter the ID and password to log onto and access secure portions of the Website. Each time the applicant submits its ID and password to Railbird in order to log onto Railbird, the applicant affirms that it understands and agrees to be bound by these Rules and other policies of Railbird, as then in effect.
- (b) In the event that an applicant’s Member Application has been approved by Railbird and the applicant has entered into a Self-Clearing Member Agreement with Railbird, the applicant will be designated as a Self-Clearing Member on the terms and subject to the conditions set forth therein and herein. As a Self-Clearing Member, such a Person will be able to access the Platform, execute Trades, and otherwise access information regarding, or perform functions in, such a Person's account using its ID and password.
- (c) For account security and audit trail purposes, each Self-Clearing Member agrees that Railbird may maintain logs of its IP address used to access the Website.
- (d) Each Self-Clearing Member will be responsible for protecting its ID and password from improper disclosure. In addition, a Self-Clearing Member may not knowingly or negligently permit any Person not authorized by Railbird and by the Self-Clearing Member to use the ID and password to access the secure portion of the Website. Each Self-Clearing Member is required to immediately notify Railbird if it knows, or has reason to believe, that its ID or password have been disclosed to any Person not authorized by Railbird and the Self-Clearing Member to use such ID and/or password.

- (e) Each Self-Clearing Member will be liable for all costs and any losses that it may incur from Transactions executed on the Platform by any Person, authorized or not, using its ID and password. Railbird will not be responsible in any way for unauthorized Transactions in a Self-Clearing Members' Member Account.
- (f) Each Self-Clearing Member is responsible for contracting with an Internet service provider through which it will access the Website and for having a backup service provider if the Self-Clearing Member believes it is necessary. Each Self-Clearing Member is also responsible for maintaining an Internet connection speed adequate for its needs. Railbird will not be responsible in any way for any orders delayed or trades missed or not executed in a timely fashion because of failure of the Self-Clearing Member's Internet service provider or slowness of its Internet connection speed. No communication from a Self-Clearing Member will be deemed to have been received by Railbird until that communication is logged by the Railbird server.
- (g) Railbird in its discretion may place a Self-Clearing Members' Member Account on hold (i.e., prohibiting any order activity) or on hold-liquidation only (i.e., allowing only orders to liquidate existing positions). In such circumstances, to the extent not prohibited by Applicable Law, Railbird will promptly notify the affected Self-Clearing Member of the nature of and reason for the action.

RULE 5.3 TRADING CONTRACTS – SELF-CLEARING MEMBERS

- (a) Self-Clearing Members will be able to trade Contracts by entering Orders on such Contracts. After logging into the secure portion of the Website, the Self-Clearing Member will input its Orders into the Platform.
- (b) Orders may result from using Railbird's pre-execution communications system.
 - (1) A Member (referred to for the purpose of this Rule as the "Requester") may use Railbird's pre-execution communications system to create a two-sided RFQ message to express interest in a market or combination of markets. This message must contain the following information, which is public to all other Members:
 - (i) The market(s) in which the Requester desires a quote; and
 - (ii) The size of quote desired by the Requester, measured in number of contracts or in total cost.
 - (2) Any other Member who qualifies for the RFQ system (referred to for the purpose of this Rule as the "Quoter") may choose to respond to the RFQ with a structured response ("Quote"). This Quote is private and visible only to the Requester. A Quoter may only respond with a Quote that the Quoter has sufficient collateral to match at the specified price and quantity and full execution would not result in any Position Limit or Position Accountability Level violations.

- (3) A Requester may choose to accept a Quote, provided that the Requester has sufficient collateral to match at the specified price and quantity and full execution would not result in any Position Limit or Position Accountability Level violations. Upon acceptance, a message specifying the accepted side of the Quote and the number of contracts accepted will be sent back to the Quoter, who will confirm that the Quoter wishes to proceed within the time specified. If the Quote is not confirmed by the Quoter within the specified time, the Quote will be treated as void. In the event that multiple Quotes are sent in response to the RFQ, the Requester will only be able to accept the Quote with the best price. Quotes may also be rejected by the Requester.
- (4) Upon the Quote's confirmation by the Quoter, the Platform will sequentially enter orders into the order book first for the Quoter and then the Requester. These orders receive time priority upon entry and execute behind any existing resting interest at the same price. Once the Quote is confirmed, neither party can opt-out of such RFQ process.
- (5) Each of these orders behaves identically to a standard order in the order book at the price specified in the Quote. Each order will be evaluated against the best prices in the order book.
 - (i) If the Quote price improves the best bid and the best offer in the order book or if there is no other bid or offer, the Quoter's order will match in its entirety against the entirety of the Requester's order.
 - (ii) If the Quote price improves the best bid but there is a better, or equal, offer or offers resting in the order book, the buy side order will be executed first against such better, or equal, offer or offers and then subsequently against the sell side order produced by the Quote, if any residual quantity on the buy side remains.
 - (iii) Similarly if the Quote improves the best offer but there is a better, or equal, bid or bids resting in the order book, the sell side order will be executed first against such better, or equal, bid or bids and then subsequently against the buy side order produced by the Quote, if any residual quantity on the sell side remains.
- (6) A party to pre-execution communications shall not disclose the details of such communications to any Person who is not a party to such communications, except to the Exchange, a Clearinghouse or a Regulatory Agency upon request, or as required by Applicable Law.
- (7) A party to private pre-execution communications shall not enter, modify, or cancel orders on any market to take advantage of information conveyed during such communications, except in accordance with this Rule.

- (8) Members may only create a Quote and/or a RFQ for the purpose of executing bona fide Transactions.
- (c) When a Self-Clearing Member's Order is matched by an Order from another Member:
 - (1) If the Self-Clearing Member's Order is to enter into one or more Contracts for which it does not have an offsetting position in its account, Railbird will check the Self-Clearing Member's Member Account to ensure it has enough funds to cover its maximum loss under the Contract(s) it is attempting to enter into. If the Self-Clearing Member does not have the necessary funds in its Member Account, Railbird will reject the order and notify the Self-Clearing Member. If the Self-Clearing Member does have the necessary funds in its Member Account, Railbird will execute the Trade. Upon Trade execution, Railbird will cause and/or instruct the applicable Clearinghouse to:
 - (i) Debit the funds from the Self-Clearing Member's Member Account in an amount necessary to cover the maximum loss;
 - (ii) Credit those funds towards the appropriate settlement account;
 - (iii) Place the Contracts that were the subject of the Order into the Self-Clearing Member's Member Account; and
 - (iv) Notify the Self-Clearing Member by email that the Trade has been executed.
 - (2) If the Transaction involves entering into one or more Contracts for which a Self-Clearing Member has an offsetting position in its account, upon execution of the Trade, Railbird will cause and/or instruct the applicable Clearinghouse to:
 - (i) Close the offsetting position in the Self-Clearing Member's Member Account;
 - (ii) Debit the settlement account in the amount of any gains realized by the offsetting Transaction and any funds that were debited from the Self-Clearing Member's Member Account at the time the Contract(s) that is being closed was entered into and that were not also used to pay any losses on such Contract(s);
 - (iii) Credit those amounts to the Self-Clearing Member's Member Account; and
 - (iv) Notify the Self-Clearing Member by email that the Trade has been executed.

- (3) If a Self-Clearing Member's Order is placed on the Platform and not immediately matched by an Order from another Member, it will rest on the Platform until it is matched and executed in accordance with the procedures outlined above in this Rule, until the Self-Clearing Member cancels it, or until it is cancelled by Railbird or a Derivatives Clearing Organization upon the Expiration of the Contract or otherwise in accordance with these Rules.

RULE 5.4 ORDER ENTRY

(a) Self-Clearing Member Orders

- (1) A Self-Clearing Member will enter Orders to trade Contracts by electronic transmission over the Internet. Order rate limiter functionality will cap the maximum number of Orders that may be submitted to the Company per second (or per a specific time period expressed in seconds) per Member in order to prevent risk of harm to the Company.
 - (2) A Self-Clearing Member will enter an Order to Trade one or more Contracts by indicating to Railbird in the manner required by Railbird:
 - (i) Order direction (i.e., buy/yes or sell/no);
 - (ii) Price at which the Self-Clearing Member wants to buy or sell the Contract; and
 - (iii) Number of Contracts the Self-Clearing Member wants to buy or sell.
 - (3) In order to enter an Order to trade one or more Contracts, a Self-Clearing Member will be required to submit the Order to Railbird. Once the Order is accepted by Railbird, Railbird will assign an Order ID to the Order. This ID will appear next to the associated Order on the Self-Clearing Member's "Order Ticket" and "Order History" account pages. The Self-Clearing Member will be responsible for any and all Order entries confirmed for its account and accepted by Railbird.
 - (4) Any Self-Clearing Member submitting Orders, or any other messages directly to Railbird, including but not limited to messages related to the cancellation or amendment of an Order, whether manually or via automated functionality, must ensure adequate controls are in place to prevent excessive messaging or other activity that may be deemed detrimental or disruptive to the Company.
- (b) The Platform will keep an electronic record of all Orders to Trade Contracts, and all executed Contract trades. The records kept by Railbird will include all of the terms identified in paragraph (a) of this Rule, as well as the date and time that the Transaction was completed to the nearest thousandth of a second and the

Member's ID and, where applicable, the relevant FCM and FCM Customer account identifiers, for all executed Contract trades and to the nearest thousandth of a second for all Orders to trade Contracts.

- (c) A Contract will not be void, voidable, subject to rescission, or otherwise invalidated or rendered unenforceable due to:
 - (1) A violation by Railbird of the provisions of sections 5 or 5h of the CEA or Part 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 where the effect of which is to alter or supplement a specific term or condition or trading rule or procedures, or requires Railbird to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

RULE 5.5 FCM CUSTOMER ORDERS, CANCELLATION AND TRADING

- (a) FCM Customers may enter Orders with an FCM. FCMs must submit FCM Customer Orders electronically. An FCM Customer that enters an Order with an FCM is considered to have entered an Order on the Platform.
- (b) FCMs will submit an FCM Customer's Order to trade one or more Contracts by transmitting an Order to the Exchange in the manner required by the Exchange, that will include:
 - (1) Order information;
 - (2) Any other relevant identifiers, including the FCM Customer's unique account identifier; and
 - (3) The FCM identifier.
- (c) The Rules set forth in paragraph (a) and (b) of this section also apply to order cancellations instructed by FCM Customers.
- (d) Upon receipt of an Order to trade one or more Contracts from an FCM Customer, an FCM will be required to ensure that the FCM Customer has on deposit with the FCM enough funds to satisfy the Exchange's full collateralization requirement before the Order is submitted to the Exchange. The FCM will be responsible for any and all Order entries confirmed for its Orders accepted by the Exchange. If there are insufficient funds in the applicable Customer Segregated Account, the Order will not be accepted. If the Order results in a Trade, the Exchange will instruct the applicable Clearinghouse to debit the collateral for the trade from the applicable Customer Segregated Account.

- (e) The Exchange in its discretion may instruct an FCM to place an FCM Customer's Customer Segregated Account on hold (i.e., prohibiting any Order activity) or on hold-liquidation (i.e., allowing only Orders to liquidate existing positions), or may on its own place the FCM Customer's trading privileges on hold and will notify the FCM as soon as practicable afterwards. In all circumstances, to the extent not prohibited by Applicable Law, the FCM will promptly notify the affected FCM Customer of the nature of and reason for the action.

RULE 5.6 HANDLING OF CUSTOMER ORDERS

- (a) All trading on Railbird's central limit order book is conducted on a fully anonymous basis.
- (b) Disclosing Orders Prohibited
 - (1) It is a violation of this Rule 5.6 for any Person to disclose another Person's Order to buy or sell any Contracts except as may be requested by Railbird or the Commission.
 - (2) It is a violation of this Rule 5.6 for any Person to act or direct another Person to act based on non-public order information, however acquired.
- (c) No FCM or employee thereof in possession of a FCM Customer's Order may enter into a Transaction opposite such Order directly or indirectly.
- (d) No FCM or employee thereof in possession of a FCM Customer's Order may enter an Order to buy or sell in the same product for its, his or her own account in which it, he or she has a direct or indirect financial interest.

RULE 5.7 DISPUTED ORDERS

- (a) If a Member believes that an Order to trade one or more Contracts was incorrectly executed or rejected by Railbird, such Member may request a review of the Order by providing the confirmation number for the Order and stating the grounds for its disagreement with the handling of the Order. FCMs may make such requests on behalf of an FCM Customer.
- (b) Upon receipt of a request for review of an Order and the accompanying confirmation number, Railbird will review its electronic audit trail to determine if the Platform correctly interpreted and executed the Order.
- (c) If the review described in paragraph (b) of this Rule reveals that the Platform made an error, the Order will be cancelled and the accounts of all Members that were party to the Order will be returned to their state before the Trade was executed.
- (d) If the review described in paragraph (b) of this Rule reveals that the Platform did not make an error, Railbird will inform the Member who requested the review of

its determination that the Order was properly handled (including providing the evidence supporting that determination) and that an adjustment will not be made.

- (e) A Member, including an FCM on behalf of an FCM Customer, may appeal a determination under paragraph (d) of this Rule to Railbird's Chief Regulatory Officer through the email address provided on the Website. The Member making the appeal will be required to provide a response to the evidence described in paragraph (d) of this Rule that the Order was properly handled, and the Member may provide any other information it wishes to disclose. If the Member's appeal does not contain a response to the evidence described in paragraph (d), it will be rejected. Railbird's Chief Regulatory Officer will decide on the appeal no later than 20 Business Days after its receipt, and that decision will be final.
- (f) Railbird will document in writing all requests for review of Orders received by Railbird, the time and manner in which Railbird reviewed its electronic audit trail in response to the request, the outcome of that review, and the action or actions taken by Railbird in response to that review, including the results of any appeal filed under paragraph (e) of this Rule and the review conducted by Railbird's Chief Regulatory Officer in deciding that appeal.

RULE 5.8 PRIORITY OF ORDERS

Railbird's central limit order book matches Orders in an open and competitive manner. Subject to the provisions of Rule 5.10(b) regarding Orders, Railbird's trading algorithms execute all Trades by matching Orders according first by price and then time priority. This means that Orders and Quotes entered at different prices will be executed in order of price, from best to worst, regardless of the time they were placed on the Platform, and Orders and Quotes placed on the Platform at the same price will be executed in order of time, from oldest to most recent.

RULE 5.9 FILLING ORDERS TO TRADE CONTRACTS

- (a) Subject to the provisions of Rule 5.10(b) regarding Orders, the Platform will fill all Orders to trade Contracts on an "or better" basis. This means that if a Member places an Order to buy a Contract or Contracts at a price higher than the price of the best sell offer on the Platform, the system will fill that Order to buy at the better sell offer price(s) until all available sell offers under or equal to that buy Order's limit price are filled or until that buy Order is completely filled. Likewise, if a Member enters a sell Order at a price lower than the price of the best bid, the system will fill that sell Order at the better bid price(s) until all available bids over that sell Order's limit price are filled or that sell Order is completely filled. If an Order is only partially filled, the unfilled portion of that Order will remain in the order book as a resting Order at the limit price specified. Should an opposite Order at the same price or better than the original Order subsequently be placed on the system, the unfilled portion of the original Order will be executed opposite that new Order at the original Order's limit price.

- (b) A written record of all of the terms of each Trade entered into on the Platform or pursuant to the Rules will be available immediately upon execution on the Railbird interface on the Member's activity page. Such record shall legally supersede any previous agreement and serve as a confirmation of each such Trade. Railbird will send confirmation messages to Self-Clearing Members upon execution of a Trade via the API, mobile application, and/or the Website, if such Self-Clearing Members are online at the time. However, if any applicable Member is not online at the time of execution, such Self-Clearing Member will see the confirmation(s) when it next logs onto the interface. The Contract type, size, execution time and execution method for each Trade will be made available on the Website to all Members after execution of the relevant Trade.

RULE 5.10 CANCELLATION OF ORDERS

- (a) A Member can submit instructions, via Railbird's interface (i.e., the Website or mobile application) or the API, to cancel an Order which that Member has placed on the Platform if that Order has not yet been executed. Upon submission of instructions to either cancel or modify an Order that has not been executed, the Platform will withdraw the Order from the order book and confirm the cancellation of the Order.
- (b) Railbird will attempt to cancel an existing Order as soon as possible after a Member enters a cancellation instruction. However, the Order may be executed before Railbird is able to cancel it. If an Order has been filled in whole or in part, a Member may cancel only that portion of the Order (if any) that has not been executed.

RULE 5.11 TRADE CANCELLATIONS

- (a) As a designated contract market, Railbird has the authority to adjust Trade prices or cancel Trades when necessary to mitigate market disrupting events caused by malfunctions on its Platform or errors in Orders submitted by Members. However, due to the fully collateralized and short-term nature of trading on Railbird, the circumstances in which this authority may be exercised are limited.
- (b) Railbird, in its discretion and in accordance with these Rules, may cancel a Trade that has been executed on the market at a price that is inconsistent with prevailing market conditions due to improper or erroneous Orders or Quotes being matched on the Platform. Likewise, because of the nature of the Contracts on Railbird, there will generally be no cancellation or adjustment of an erroneous Trade except in extraordinary circumstances as determined by the Company.
- (c) In addition to a Contract adjustment under Chapter 7 of these Rules, Railbird may review a Trade based on its own analysis of the market or pursuant to a request for review by a Member or other third party. A request for a review by a Member or other third party must be received by Railbird no later than fifteen (15) minutes after the trade has been executed on the Platform and before Expiration of the

Contract. Railbird will promptly determine whether the Trade will be subject to review and then promptly post notice indicating that the Trade is under review.

- (1) During the review, Railbird will calculate a fair market value for the Contract at the time of the questioned Trade by utilizing the last value or price of the Contract at the time of the Trade and/or any other relevant market information obtained or presented to the Company.
 - (2) Once a fair market value has been calculated, a fifteen (15) percent range will be added above and below such fair market value to determine the “No Cancellation Range”.
 - (3) If a Trade has been executed within the No Cancellation Range, the executed Trade will stand. If a Trade has not been executed within the No Cancellation Range, Railbird shall have the authority, but not the obligation, to cancel or adjust such Trade. Once a Trade is determined to be cancelled or adjusted, Railbird will:
 - (i) notify all interested Members to the Trade as soon as practicable following such determination; and
 - (ii) publish its decision on the Website.
 - (4) The decisions of Railbird regarding fair market value of the Contract, the No Cancellation Range, the cancellation of a Trade, or any other determination hereunder shall be final and not subject to appeal.
- (d) Erroneous trades between Self-Clearing Members who are signatories to an active Market Maker agreement with Railbird, or who have been granted access to an advanced tier of Railbird’s API, may qualify as an “extraordinary circumstance” in Railbird’s sole discretion, applied in a fair and non-discriminatory manner, if:
 - (i) the erroneous trades were unmistakably and demonstrably made as a result of a trader’s automated trading system malfunction, as documented by the Member and verifiable by Exchange records; (ii) such malfunction was despite reasonable safeguards, disaster recovery measures, and/or back-up capabilities; and (iii) the circumstances of any request for review do not indicate any attempt to game or manipulate the fair operation of this Rule.

RULE 5.12 INVALIDATION OF ORDERS AND TRADES UPON SUSPENSION OR REVOCATION OF FCM STATUS

- (a) Upon suspension or revocation of an FCM’s privileges by the Exchange, any open Order on the Platform for such FCM’s FCM Customers shall be cancelled by the Exchange.
- (b) Upon suspension or revocation of an FCM’s privileges by the Exchange, any Trade subsequently executed on the Platform for such FCM’s FCM Customers shall be invalid. The Exchange shall cancel any transaction pursuant to this Rule

by entering a counter transaction onto the Platform at the price at which the executed transaction was effected.

RULE 5.13 RECORDKEEPING OF FCM CUSTOMERS' ORDERS

FCMs shall maintain an electronic record of all FCM Customers' Orders received by the FCM, and all order, trade and expiration confirmations received by the FCM regarding its FCM Customers' accounts.

RULE 5.14 VIEWING THE MARKET AND EXECUTED ORDERS

Railbird will, at all times, allow its Members to view the current best bid and offer on the Platform, the open interest, the trade volume, as well as the depth of the order book up to the fifth level of prices. FCMs will, at all times, allow their FCM Customers to view the current best bid and offer on the Platform, the open interest, the trade volume, as well as the depth of the order book up to the fifth level of prices.

RULE 5.15 HOURS FOR TRADING CONTRACTS

Trading shall generally be available 24 hours a day, 7 days a week. However, the Exchange will be closed for maintenance windows, which will be aligned with Clearinghouse maintenance schedules and announced from time to time on the Website.

RULE 5.16 PROHIBITED TRANSACTIONS AND ACTIVITIES

- (a) Members are prohibited from entering Orders on the Platform if there are insufficient funds or Contracts in the Member's Member Account to satisfy such Orders, assuming such Orders are executed. Railbird may, in its discretion, take such action against a Member if the circumstances warrant, subject to Rule 9.3(e) and Rule 9.7.
- (b) No Member or party acting as an agent on behalf of the Member trading shall enter into or attempt to enter into any non-competitive trade on the Platform, including any accommodation trade or any trade that has been directly or indirectly prearranged. For example, a Member may not agree in advance with another Member that one of the Members will enter an Order and the other Member will attempt to trade against that Order by timing the submission of Orders or otherwise.
- (c) No Member or party acting as an agent on behalf of the Member trading shall enter into or attempt to enter into any trade on the Platform that:
 - (1) Does not result in a change in beneficial ownership;
 - (2) Is designed to unnaturally inflate trading volume;

- (3) In any way attempts to circumvent the Platform's order processing, trade ordering, trade execution systems, or otherwise to circumvent exposure of the Order to open and competitive bidding on the Platform; or
- (4) Has some other illegitimate purpose.
- (d) No Member, party acting as an agent on behalf of the Member trading, or FCM Customer shall enter into any trade designed or used to cause any price for a Contract (other than a true and bona fide price) to be reported, registered, or recorded by the Platform.
- (e) No Member or party acting as an agent on behalf of the Member trading, shall trade in, transfer, assign, or otherwise dispose of Contracts other than as provided for in these Rules.
- (f) No Member or party acting as an agent on behalf of the Member trading shall enter into or agree to transfer or transfer the benefit of any position in any Contract to another Person other than through a transaction executed through the Platform; provided, however, that transfers of open Contracts on the books of a Clearinghouse to another account on the books of a Clearinghouse need not be made competitively where no change in beneficial ownership is involved in the transfer. For purposes of this Rule 5.16(f), a change in beneficial ownership shall not be deemed to have occurred with respect to (A) transfers between entities that are 100% owned by the same Person, and (B) transfers between any person and any entity that are owned 100% by such Person.
- (g) No Member (other than an FCM Member on behalf of its FCM Customers) shall trade for a Person other than itself.
- (h) No Self-Clearing Member may deposit funds or allow funds to be deposited into their Railbird account from any bank account or debit card or other account not held in the same name as their Railbird account (except as otherwise provided in these Rules).
- (i) The Company may deposit funds into a Member's Railbird account, including but not limited to, in the event of an order cancellation, trade cancellation, expiration value adjustment, ledger adjustment, refund of wire transfer fees, or incentive program.
- (j) No Member or party acting as an agent on behalf of the Member trading shall engage in any activity that presents a risk of harm to Railbird, its Members, or the public.
- (k) No Member or party acting as an agent on behalf of the Member trading shall engage in any activity that adversely affects the integrity of the Platform or its underlying systems.

- (l) No Member or party acting as an agent on behalf of the Member trading subject to arbitration under these Rules shall fail to abide by an arbitration decision or award handed down under Chapter 10 of these Rules.
- (m) No Member or party acting as an agent on behalf of the Member trading shall intentionally provide misleading, erroneous, or fraudulent information to Railbird on a Member Application or otherwise.
- (n) No Member or party acting as an agent on behalf of the Member trading shall create a false appearance of a partnership, agency, employment or affiliate relationship with Railbird, and no Person shall unlawfully solicit customer funds for deposit at Railbird.
- (o) No Member may operate or solicit in any capacity that may require registration with the CFTC without being properly registered.
- (p) No Member or party acting as an agent on behalf of the Member trading shall engage in (i) any activity that is intended to, or has the effect of, manipulating the market in violation of Sections 6(c) and 9(a)(2) of the CEA or (ii) any other activity that would violate the CEA or CFTC Regulations.
- (q) No Member shall deposit funds into its Railbird account from an account which does not hold sufficient funds at the time of deposit, and at the time the deposit is presented by Railbird for payment.
- (r) No Member shall make a false representation to a third party regarding any deposit made into that Member's Member Account or the Customer Segregated Account (as applicable), which would result in a chargeback or stop payment of funds to the Member Account or Customer Segregated Account, respectively.
- (s) No Member shall allow the balance in its Member Account or Customer Segregated Account, as applicable, to become negative. In the event that a Member's Member Account balance or Customer Segregated Account balance becomes negative, the Member, including any FCM Member on behalf of its FCM Customers, must immediately deposit additional funds to correct the deficiency. Any Member whose Member Account carries a negative balance for thirty (30) days or more is subject to summary termination of membership. Railbird may, in its discretion, take such other action against a Member if the circumstances warrant, subject to Rule 9.3(e) and Rule 9.7.
- (t) No Member or party acting as an agent on behalf of the Member trading shall engage in conduct or practices inconsistent with just and equitable principles of trade or conduct or practices detrimental to the best interests of the Company.
- (u) If a Member is an Insider (as defined below) that has access to material non-public information that is the subject of an Underlying of any Contract or that has the ability to exert any influence on the subject of an Underlying of any Contract, that Member is prohibited from attempting to enter into any trade or entering into

any trade, either directly or indirectly, on the market in such Contracts. An “Insider” means any person who has access to or is in a position to have access to material non-public information before such information is made publicly available. A Member who is an employee or affiliate of a Source Agency for any Contract is prohibited from attempting to enter into any trade or entering into any trade, either directly or indirectly, on the market in such Contracts.

- (v) If a Member is a decision maker, either directly or indirectly, or has any influence, either directly or indirectly, no matter the scale and importance of the influence, on the outcome of the Underlying of any Contract, that Member is prohibited from attempting to enter into any trade or entering into any trade, either directly or indirectly, on the market in such Contracts.
- (w) No Member or party acting as an agent on behalf of the Member trading shall engage in any activity that constitutes fraudulent or abusive trading, including but not limited to violating bids or offers, demonstrating intentional or reckless disregard for the orderly execution of transactions during the closing period, or spoofing.
- (x) No Member or party acting as an agent on behalf of the Member trading shall engage in any trading activity intended to accomplish a “money pass”, “wash trade”, “improper cross trade”, “accommodation trade”, “front-running” or “trading ahead” as such terms are defined by the Commission and any regulations promulgated thereunder.
- (y) No Member or party acting as an agent on behalf of the Member trading shall, directly or indirectly, intentionally or recklessly:
 - (1) Use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;
 - (2) Make, or attempt to make, any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading; or
 - (3) Engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any Person.
- (z) No FCM shall enter any bids, offers, or transactions on the Platform if it knows or should know that it is subject to early warning reporting requirements under CFTC Regulation 1.12, is subject to a proceeding in bankruptcy or is otherwise unable to pay its obligations as they become due, without the prior written approval of the Exchange.
- (aa) No FCM shall knowingly carry an account for an employee of the Exchange without the Exchange’s prior written consent, nor shall any FCM enter any order or effect any transactions for such an account with respect to any Contracts.

- (bb) No FCM that receives an order to buy or sell a Contract for execution on the Exchange shall directly or indirectly guarantee the execution of the order or any of its terms, including quantity or price. An FCM may only report to an FCM Customer a trade that has been executed and reported on the Exchange.
- (cc) No FCM shall enter an order to buy or sell a Contract for their own account or any account in which they have a proprietary interest when the FCM Member has in hand an order to buy or sell the same Contract for an FCM Customer at the same price or at the market price.

RULE 5.17 POSITION LIMITS AND ACCOUNTABILITY LEVELS

- (a) Railbird shall adopt Position Limits and/or Accountability Levels on a Contract-by-Contract basis. The Position Limits and/or Accountability Levels shall be set forth in a “Position Limit Table”, as may be amended from time to time by the Company in a notice and on the Website. Any Member who exceeds a Position Limit absent an exemption shall be deemed in violation of this Rule 5.17. Any member who exceeds an Accountability Level may be asked by the Railbird compliance department (“Compliance Department”) to provide information relating to the position (*e.g.*, the nature and size of the position, the trading strategy, hedging information, *etc.*). Furthermore, each Member that holds or controls positions in excess of a position Accountability Level consents to not increase or decrease its position when so ordered by the Compliance Department. Generally, a Member that holds or controls positions in excess of an Accountability Level will be notified by the Compliance Department in advance of an instruction not to increase or decrease a position, but Railbird is under no obligation to notify a Member thereof and failure to so notify a Member will not invalidate such instruction or order.
- (b) A Member seeking an exemption from any Position Limit must apply to Railbird on forms provided by the Company.
 - (1) The Compliance Department shall, on the basis of the application and any requested supplemental information, determine whether an exemption from Position Limits shall be granted.
 - (2) A Member intending to exceed Position Limits, including limits established pursuant to a previously approved exemption, must file the required application and receive approval from the Compliance Department prior to exceeding such limits; provided, however, that the Compliance Department may approve a hedge exemption application filed up to five (5) Business Days after a Member exceeds an applicable Position Limit, but if the application is denied, the applicant will be in violation of the applicable Position Limit until the position is reduced below such limit.
- (c) In order to obtain an exemption from a Position Limit, a Member must:

- (1) Provide a description of the exemption sought;
 - (2) Provide a complete and accurate explanation of the underlying exposure related to the exemption request;
 - (3) Agree to promptly provide, upon request by the Compliance Department, information or documentation regarding the Member's financial condition;
 - (4) Agree to comply with all terms, conditions or limitations imposed by the Compliance Department with respect to the exemption;
 - (5) Agree that the Compliance Department may modify or revoke the exemption at any time consistent with CFTC Regulation 150.5;
 - (6) Agree to initiate and liquidate positions in an orderly manner;
 - (7) Agree to comply with all of the Rules; and
 - (8) Agree to promptly submit a supplemental statement to the Compliance Department whenever there is a material change to the information provided in the most recent application.
- (d) Position Limits Exemptions:
- (1) *Bona Fide* Hedging Transactions or Positions: The Compliance Department may grant an exemption from Position Limits for *bona fide* hedging transactions or positions that are economically appropriate to the reduction of risk in the conduct and management of a commercial enterprise.
 - (2) Spread Positions: The Compliance Department may grant exemptions for an intra-market spread, inter-market spread, intra-commodity spread, and inter-commodity spread.
- (e) If a Member fails to reduce any position in a manner and time as directed by Railbird, Railbird shall have the authority to liquidate the applicable position to a level below the defined Position Limit or Accountability Level stipulated under the relevant Contract in Chapter 13 of these Rules.
- (f) In addition to the restrictions and requirements imposed in Rule 5.14(a) and 5.14(b), the first violation by a Member of a Position Limit or failure to respond or follow Compliance Department instructions in connection with positions in excess of an Accountability Level may result in a letter of warning to be issued by the Compliance Department to the Member or the initiation of proceedings in accordance with Chapter 9 of these Rules.
- (g) In addition to the restrictions and requirements set forth in Rule 5.14(f), any subsequent violation by a Member of an Accountability Level instruction or

Position Limit within 12 months after a violation that resulted in a letter of warning, will result in the initiation of proceedings in accordance with Chapter 9 of these Rules.

- (h) Aggregation of positions:
 - (1) All positions in accounts for which any Person, by power of attorney or otherwise, directly or indirectly controls trading or holds a 10 percent of greater ownership or equity interest must be aggregated with the positions held and trading done by such Person.
 - (2) Positions held by two or more Persons acting pursuant to an express or implied agreement or understanding will be aggregated as if the positions were held by, or the trading of the position were done by, a single Person.
 - (3) Exemptions from aggregation in all products subject to Position Limits must comply with the provisions of CFTC Regulation 150.4(b).
 - (4) Any Member claiming an exemption from Position Limits under the provisions of CFTC Regulation 150.4(b)(1)(ii), (b)(2), (b)(3), (b)(4), or (b)(7) must provide a notice to the Company which sets forth (i) a description of the relevant circumstances that warrant disaggregation and (ii) a statement by a senior officer or executive of the Person certifying that the conditions set forth in the applicable CFTC aggregation exemption provision have been met. Upon request by the Company, any Member claiming an exemption from aggregation under CFTC Regulation 5.17(h)(3) must provide any requested information that demonstrates the Person meets the applicable requirements for the exemption. The Company, in its sole discretion, may amend, suspend, terminate, or otherwise modify a person's exemption from aggregation for failure to comply with the provisions of this Chapter 5.
- (i) The Exchange has imposed reportable Accountability Levels and/or Position Limits on each Contract, which will be communicated to an FCM. At a regular cadence, FCM Members must report the name, and any additional known KYC requested by the Exchange, of all FCM Customers who hold any position which exceeds an Accountability Level or Position Limit. This information may be used by the Compliance Department to conduct surveillance.
- (j) The Exchange may exempt an FCM from Position Limits set by the Exchange only to the extent necessary for the FCM's orderly carrying on of its FCM Customers' accounts.

RULE 5.18 REPORTS OF LARGE POSITIONS AND OWNERSHIP AND CONTROL REPORTING

- (a) Large Trader Reporting

- (1) Each FCM Member and any other Person that is subject to large trader reporting pursuant to CFTC Regulations relating to Contracts shall, in a form and manner prescribed by the Exchange, concurrently submit to the Exchange a copy of all reportable positions at or above the reportable level of each Contract (a “**Large Trader Report**”) that such FCM Member is required to report to the Commission pursuant to CFTC Regulations. Positions at or above the reportable level in a Contract in a discrete commodity code trigger reportable status. For any account in reportable status in a Contract in a discrete commodity code, all Contract positions, regardless of size, in the same discrete commodity code must be reported.
 - (2) All Large Trader Reports shall be submitted in a manner and form acceptable to the Exchange. The Exchange may require that more than one Large Trader Report be submitted daily. The Regulatory Oversight Committee or the Exchange may require reports from any Member on a lesser number of positions than the reportable level set by the Exchange.
- (b) Ownership and Control Reporting
- (1) Each FCM Member and any other Person that is required pursuant to CFTC Regulations shall submit to the CFTC Form 102 (including CFTC Form 102A and CFTC Form 102B) identifying the owner, any controlling parties and any additional required information for each reportable account.
 - (2) A reportable account for the purposes of this Rule is an account at or above the reportable levels set by the Exchange.
 - (3) The applicable Large Trader Report, Form 102A and Form 102B must be submitted to the Exchange no later than 9:00 am Eastern Time on the Business Day following the date on which the account becomes reportable. Additionally, FCM Members must submit a revised Form 102A and Form 102B reflecting any material changes to the information previously provided to the Exchange within three Business Days of such changes becoming effective. In the absence of any material changes, the Exchange may require electronic submission of a new Form 102A or Form 102B on an annual basis for the maintenance of accurate records.
- (c) The Exchange shall comply with the requirements of paragraphs (a) through (h) of CFTC Regulation 17.00 as they apply to trading in any Contracts that qualify as “exclusively self-cleared contracts” within the meaning of CFTC Regulation 15.00.

CHAPTER 6: CLEARING AND SETTLING CONTRACT TRADES, SETTLEMENT, AND MEMBER WITHDRAWAL REQUESTS

RULE 6.1 CLEARANCE

- (a) In capacity as a registered Derivatives Clearing Organization, the Clearinghouse shall serve as the clearing party to all Orders matched pursuant to Chapter 5.
- (b) All Member positions are fully cash collateralized, and no Member can take positions that would lead to an exposure that exceeds the funds deposited in its Member Account or Customer Segregated Account, as applicable.
- (c) The Exchange requires the Clearinghouse to ensure that no Member is permitted to enter into or maintain trades requiring collateral in excess of the amount of collateral available to such Member in its Member Account or, for FCM Customers, Customer Segregated Account, as applicable, and as recorded on the books of the Clearinghouse.
- (d) Upon the successful matching of Orders pursuant to Rules 5.3 or 5.4, the Clearinghouse shall immediately, through the process of novation, be substituted as, and assume the position of, seller to the Member buying and buyer to the Member selling the relevant Contract. Upon such substitution, the buying and selling Members shall be released from their obligations to each other, and such Member shall be deemed to have bought the Contracts from, or sold the Contracts to, the Clearinghouse, as the case may be, and the Clearinghouse shall have all the rights and be subject to all the liabilities of such Member with respect to such Transaction. Such substitution shall be effective in law for all purposes.
- (e) If a Trade is rejected for clearing by the Clearinghouse for any reason, such Trade is void *ab initio*.
- (f) In the event of any conflict or inconsistency between these Rules and the Clearinghouse rules with respect to any Member's responsibilities or obligations under the Clearinghouse rules, the Clearinghouse rules shall prevail. Pursuant to Rule 3.1(c), all Members are bound by the Clearinghouse rules.

RULE 6.2 SETTLING CONTRACT TRADES

Railbird will maintain, on its system, a record of Member balances and Contracts. Clearinghouse will also maintain Member Accounts and Customer Segregated Accounts, which will reflect funds used by Self-Clearing Members and FCM Customers, respectively, to buy and sell Contracts. Railbird may also maintain a "proprietary account," which will be credited with all fees debited from Member Accounts due to Trades and Settlements.

RULE 6.3 SETTLEMENT

- (a) When a Contract expires, the Contract will pay its Settlement Value to the holders of long and short positions based on the Contract's Payout Criterion, as follows:

- (1) When a Binary Contract expires and has a Market Outcome of YES, such Contract will pay its Settlement Value to the holders of long positions in such Contracts. Conversely, when a Binary Contract expires and has a Market Outcome of NO, such Contract will pay its Settlement Value to the holders of short positions in such Binary Contracts.
 - (2) When a Variable Payout Contract expires, such Contract will:
 - (i) Pay its Settlement Value to the holders of long positions in such Contracts; and
 - (ii) Pay the difference between its maximum possible Settlement Value and its Settlement Value and to the holders of short positions in such Contracts.
- (b) On the Settlement Date, Railbird will cause and/or instruct the Clearinghouse to:
- (1) Notify all applicable Members whether they or their FCM Customers, as applicable, will receive a Settlement Value pursuant to Rule 6.3(a);
 - (2) Settle the applicable Contracts as follows:
 - (i) For Binary Contracts, by debiting the settlement account in an amount no less than the Settlement Value for such Contracts multiplied by the total number of outstanding in-the-money Contract positions, and crediting those funds to the applicable Member Accounts of the Members (other than FCM Customers) or the Customer Segregated Accounts of the FCM Customers, in each case holding the in-the-money Contract position following any holding period described in Rule 6.3(c). In the case of Self-Clearing Members, that will be the Self-Clearing Member's Member Account, and in the case of FCM Members, that will be the FCM Customer's Customer Segregated Account; and
 - (ii) For Variable Payout Contracts, by debiting the settlement account in an amount no less than the Settlement Value for both long and short positions for such Contracts multiplied by the total number of respective outstanding Contract positions and crediting those funds to the applicable Self-Clearing Members' Member Accounts or FCM Member Accounts of the Members holding those respective positions following any holding period described in Rule 6.3(c); and
 - (3) Delete the applicable Contracts from Members' accounts.
- (c) Before Settlement, Railbird may, at its sole discretion, initiate the Market Outcome Review Process as provided in Rule 7.1.

- (d) Railbird will distribute notification of Settlement via API at Settlement to all Members who hold the relevant Contract and will announce such Settlement on the Website.
- (c) Settlement proceeds are subject to a standard holding period of up to twelve (12) hours before being credited to the Member Account or, for FCM Customers, the Customer Segregated Account, unless the Exchange has initiated the Market Outcome Review process under Chapter 7 of these Rules.

RULE 6.4 SETTLING MEMBER WITHDRAWAL REQUESTS

- (a) Within one Business Day of when a Member requests to withdraw funds from its Railbird account, Railbird will transmit such request to the Clearinghouse in electronic batch mode transmission. Such Clearinghouse will then cause and/or instruct its Settlement Bank to process the request and distribute funds to the account at the U.S. Financial Institution or Foreign Bank (in the case of a non-United States resident Member who does not have an account at a U.S. Financial Institution), registered with Railbird by the Member (unless the Member has unsatisfied outstanding obligations on Railbird, in which case such balances may be retained as necessary to satisfy such obligations or until the Member otherwise satisfies such obligations, or unless such transfer would otherwise violate Applicable Law or regulation as determined by either Railbird or Clearinghouse in its sole discretion). The Member should refer to the Website under the Fee Schedule for all fees and costs associated with withdrawal of funds from the Member's Railbird account. The processing of a Member withdrawal request may be suspended or denied if circumstances, whether present or imminent, would (i) make the request impossible or impractical to fulfill, (ii) cause a potential risk of harm to Railbird, its Members, or Clearinghouse, (iii) violate Applicable Law or regulation (as determined by either Railbird or Clearinghouse in its sole discretion), or (iv) distribute funds that are relevant to a pending investigation (as determined by either Railbird or Clearinghouse in its sole discretion).
- (b) Members are responsible for providing accurate account numbers to allow Railbird and Clearinghouse to effect transfers to Members.

CHAPTER 7: MARKET OUTCOME REVIEW AND ADJUSTMENTS NECESSITATED BY MATERIAL CHANGES IN THE UNDERLYING

RULE 7.1 THE MARKET OUTCOME REVIEW PROCESS

- (a) Before Settlement, Railbird may initiate the Market Outcome Review Process, at its sole discretion and by taking into account several factors including any circumstances that may have a material impact on the reliability or transparency of the Underlying related to the Contract. Under this process, the Outcome Review Committee will determine the final Market Outcome. Settlement will occur on the date that the Outcome Review Committee reaches a determination on the Contract's final Market Outcome. If the Market Outcome Review Process is

initiated, Railbird will post on the Website that the Contract's Market Outcome is under review.

- (b) The Outcome Review Committee shall review all relevant evidence and determine a final Market Outcome within a 72-hour period after the Market Outcome Review Process is initiated.
- (c) The Outcome Review Committee has full discretion in resolving the Market Outcome Review Process. The determinations made by the Outcome Review Committee are final.

RULE 7.2 CONTRACT MODIFICATIONS

- (a) If any event or circumstance arises that may have a material impact on the reliability or transparency of a Contract's Source Agency or the Underlying related to the Contract, including but not limited to a Contract's Source Agency becoming unavailable or undergoing significant modification, Railbird shall have the power (in its sole discretion), as necessary to preserve Contract integrity and prevent the Contract from being readily susceptible to manipulation, to designate a new Source Agency and Underlying for that Contract and to change any associated Contract Specifications after the first day of trading. Such new Source Agency and Underlying must be objective and verifiable, and Railbird will announce any such decision on the Website.
- (b) If any circumstance arises which would prevent the Expiration Value from being determined accurately at Expiration, including but not limited to the rescheduling or cancellation of an event whose outcome governs a Contract's Underlying, or delayed data from a Source Agency, the Exchange shall have the power (in its sole discretion) to adjust the Expiration Date and the timing of Expiration of the Contract, which will be announced on the Website.
- (c) If an Expiration Value that is included in the Payout Criterion of a Contract occurs prior to the Expiration Date of a Contract, the Exchange shall have the power (in its sole discretion) to adjust the Expiration Date and the timing of Expiration to be earlier, which will be announced on the Website.
- (d) If the Exchange modifies the Expiration Date in accordance with this Rule, the Contract's last trading date and time are adjusted accordingly to occur no later than Expiration.

CHAPTER 8: INVESTMENT OF MEMBER ACCOUNT FUNDS

RULE 8.1 INVESTMENT OF MEMBER ACCOUNT FUNDS

- (a) Member funds on deposit with Clearinghouse will be held in a settlement account segregated as Member Property, as that term is defined in CFTC Regulation 190.09(a).

- (b) Clearinghouse may invest such funds subject to the limitations and conditions set forth in CFTC Regulations 22.2(e)(1) and 1.25.
- (c) Clearinghouse may pay interest to Members' accounts at a floating rate to be determined by Clearinghouse on funds in Members' accounts in excess of an amount to be determined by Clearinghouse. For an FCM Customer's funds, the distribution of such interest, if any, will be governed by the agreements between the applicable Clearinghouse and the FCM, and between the FCM and the FCM Customer.
- (d) Clearinghouse will retain all profit from the investment of Member funds not paid to Members.

CHAPTER 9: DISCIPLINE AND RULE ENFORCEMENT

RULE 9.1 MONITORING THE MARKET

- (a) The Platform will record and store for a period of not less than five (5) years in a searchable, read-only database a record of all data entered into the Platform, including the Member's identity and the information in Rule 5.4. Such records shall be maintained in a readily available manner during the first two years. Railbird shall conduct market surveillance and trade practice surveillance using this data with programs designed to alert Railbird when potentially unusual trading activity takes place. Railbird, through the Compliance Department, will initiate review and, where appropriate, investigate such unusual trading activity. The Compliance Department will also investigate any time it has reason to believe that inappropriate activity of any sort is taking place on the Platform or the Website.
- (b) Enforcement staff may not include either members of the Exchange or persons whose interests conflict with their enforcement duties. Enforcement staff may not operate under the direction or control of any person or persons with trading privileges at the Exchange.
- (c) All Persons within Railbird's jurisdiction 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 Railbird possesses disciplinary jurisdiction.

RULE 9.2 DISCIPLINARY PANEL AND APPEALS COMMITTEE

- (a) The Disciplinary Panel shall be:
 - (1) A standing committee consisting of at least three members, including at least one person who would not be disqualified from serving as a Public Director. No member of the Disciplinary Panel shall also be a member of the Compliance Department or any person involved in adjudicating any other stage of the same proceeding. The Board may establish more than

one Disciplinary Panel. The Regulatory Oversight Committee will appoint individuals for membership on the Disciplinary Panel. Each Disciplinary Panel shall include members with sufficient differing experience and Member interests so as to ensure fairness and to prevent special treatment or preference for any Person; and

- (2) Responsible for conducting hearings, rendering decisions, and imposing sanctions with respect to any Disciplinary Action. The 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 the Disciplinary Panel shall serve from the date of his or her appointment until the earlier of (i) the due appointment of his or her successor and (ii) his or her earlier resignation or removal, with or without cause, as a member of the Disciplinary Panel.
- (c) The Appeals Committee shall be:
- (1) A standing committee consisting of at least three members of the Board. No member of the Appeals Committee shall also be a member of the Compliance Department or any person involved in adjudicating any other stage of the same proceeding. The Appeals Committee shall include members with sufficient differing experience and Member interests so as to ensure fairness and to prevent special treatment or preference for any Person. The members of the Appeals Committee shall be appointed by the Board, provided that, at all times, the Appeals Committee shall include at least one Public Director; and
 - (2) Responsible for conducting hearings of appeals of decisions of the Disciplinary Panel, 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 from the date of his or her appointment until the earlier of (i) the due appointment of his or her successor and (ii) his or her earlier resignation or removal, with or without cause, as a member of the Appeals Committee.

RULE 9.3 INVESTIGATIONS, HEARINGS, AND APPEALS

- (a) The Compliance Department shall investigate unusual trading activity or other activity that the Compliance Department has reasonable cause to believe could constitute a violation of these Rules, or upon the receipt of a request from Commission staff. The Disciplinary Panel adjudicates findings by the Compliance Department that are disputed by Members. The Disciplinary Panel and the Compliance Department may not communicate regarding the merits of a matter brought before the Disciplinary Panel without informing the Member who is the

subject of the communication of its substance and allowing the Member an opportunity to respond. The Compliance Department and Disciplinary Panel may compel testimony, subpoena documents, and require statements under oath from any Member. 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 the members of the Disciplinary Panel be members of the Compliance Department or any Persons involved in adjudicating any other stage of the same proceeding. Likewise, members of the Disciplinary Panel may not operate under the direction or control of any person or persons with trading privileges on the Platform and may not include persons whose interests conflict with their enforcement duties.

- (b) The Compliance Department shall enforce the Rules and prosecute possible Rule violations within Railbird's disciplinary jurisdiction. The Compliance Department will endeavor to complete any investigation within twelve (12) months, unless there exists significant reason to extend such investigation beyond such period. Upon the conclusion of any investigation, the Compliance Department will draft a document 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. If the Compliance Department concludes that there is reasonable cause to believe a Member has violated these Rules or other Applicable Law, the Compliance Department will submit to the Member whose activity is the subject of the investigation a notice of charges, by email to that Member's last known email address, that will include:
- (1) The reason the investigation was initiated, including the acts, conduct, or practices in which the Member engaged;
 - (2) The charges or a summary of the charges, including the Rule or Rules alleged to have been violated;
 - (3) The 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 the Rules the Member or its authorized representative violated, if any;
 - (6) A summary of the Member's and any relevant authorized representative's, disciplinary history, if any;
 - (7) The period within which a hearing on the charges may be requested;
 - (8) A statement notifying the Member that failure to request a hearing within the period prescribed will be deemed a waiver of the right to a hearing;

- (9) A statement notifying the Member that the failure to answer or to deny expressly a charge may be deemed to be an admission of such charge; and
 - (10) The penalty, if any, proposed by the Company.
- (c) If the subject of any charge under this Chapter 9 is an FCM Customer, the Compliance Department shall obtain the FCM Customer's email address from the FCM.
 - (d) If the Compliance Department initiates an investigation in which any Affiliate of Railbird is a subject, the Chief Regulatory Officer shall notify the Commission's Division of Market Oversight of that fact. At the conclusion of any such investigation, the Chief Regulatory Officer shall provide the Commission's Division of Market Oversight with a copy of the documentation specified in paragraph (b) of this Rule.
 - (e) The Member whose activity is the subject of the investigation may contest the Compliance Department's findings by forwarding a response to those findings by email to the Compliance Department within fifteen (15) days. The Member has a right to examine all relevant books, documents, or other evidence in the possession or under the control of Railbird, except that Railbird may withhold from inspection any documents that:
 - (1) Are privileged or that constitute attorney work product;
 - (2) Were prepared by any agent of Railbird 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.
 - (f) The Member's response must contain a detailed response to the findings and conclusions as to each charge and any other information that is relevant. The outcome of settlement negotiations between the Member and the Compliance Department may include, but is not limited to, a letter of warning.
 - (g) If the findings of the Compliance Department are not contested by the Member, Railbird will deem those findings admitted by the Member, the findings of fact and the Compliance Department's conclusions as to each charge shall become final, and the related penalty (if any) proposed by the Compliance Department shall be imposed. The Member will be notified of the imposition of any penalty and be sent a copy of the notice of Disciplinary Action by email to that Member's last known email address.
 - (h) If the findings of the Compliance Department are contested, the Compliance Department's report and the Member's response will be submitted to

the Disciplinary Panel. Members of the Disciplinary Panel may not have a financial, personal or other direct interest in the matter under consideration.

- (1) The Disciplinary Panel will conduct a hearing with the Compliance Department and the Member within twenty (20) Business Days of receipt of the Member's response contesting the Compliance Department's finding and/or proposed penalty, which the parties may attend virtually or telephonically. However, the Member is entitled to appear personally at the hearing, to cross-examine any persons appearing as witnesses at the hearing, and to call witnesses and to present such evidence as may be relevant to the charges.
- (2) The formal rules of evidence shall not apply, but the hearing must be fair. The Compliance Department shall present its case on all charges and sanctions that are the subject of the hearing.
- (3) Prior to the hearing, the parties may (but need not) submit proposed findings, briefs, and exhibits (including affidavits), and during the hearing the parties may present witnesses. Persons within Railbird's jurisdiction who are called as witnesses must participate in the hearing and produce evidence, as requested. Railbird shall likewise make reasonable efforts to secure the presence of all other persons called as witnesses whose testimony would be relevant to the matter at hand.
- (4) Within 20 Business Days after that hearing, the Disciplinary Panel will issue findings, which will be delivered to the Member by email to the Member's last known email address. The findings of the Disciplinary Panel will contain the following information:
 - (i) A summary of the charges and any answer to the charges;
 - (ii) A summary of the evidence received;
 - (iii) Findings and conclusions with respect to each charge;
 - (iv) An indication of each specific Rule that the Member was found to have violated;
 - (v) A declaration of any penalty to be imposed on the Member as the result of the findings and conclusions;
 - (vi) The effective date and duration of that penalty; and
 - (vii) A statement that the Member has the right to appeal any adverse decision by the Disciplinary Panel to the Appeals Committee within fifteen (15) days.

- (5) The Disciplinary Panel's decision shall be final on the date it is signed by the Disciplinary Panel. The Disciplinary Panel's decision shall become the final decision of Railbird after the appeal period has lapsed.
 - (6) The hearing will be recorded, and all information submitted by the parties (including the Compliance Department's report and the Member's response) as well as the recording of the hearing, will be preserved by the Compliance Department, along with the Disciplinary Panel's findings, as the record of the proceedings (the "hearing record"). For the avoidance of doubt, if the Member has requested a hearing, a copy of the hearing shall be made and become a part of the record of the proceeding. The record shall be one that is capable of being accurately transcribed; however, it need not be transcribed unless the transcript is requested by Commission staff or the Member, the decision is appealed pursuant to these Rules, or the decision is reviewed by the Commission pursuant to Section 8c of the CEA. In all other instances, a summary record of a hearing is permitted.
- (i) Either the Member or the Compliance Department may appeal the decision of the Disciplinary Panel within fifteen (15) days by filing an appeal by email with the Appeals Committee and forwarding a copy to the other parties to the appeal. Any penalties will be stayed pending appeal unless the Disciplinary Panel determines that a stay pending appeal would likely be detrimental to the Company, other Members, or the public. The Appeals Committee will review the hearing record and any information submitted by the Compliance Department and the Member on appeal and issue its decision promptly following the appeal proceeding, which shall be final on the date of such issuance. The Member shall be notified of the decision by email to the Member's last known email address. The hearing record, any information submitted on appeal, and the Appeals Committee's decision shall be preserved as the record on appeal. The decision will contain the information listed in paragraph (h) of this Rule, other than (h)(5), as well as:
 - (1) A statement that any person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the CFTC Regulations, within thirty (30) days of service; and
 - (2) A statement that any person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the CFTC Regulations, within ten (10) days of service.
 - (j) No Railbird officer or employee 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.

RULE 9.4 SETTLEMENT OF INVESTIGATIONS

- (a) Railbird may enter into settlements with any Member who is the subject of an investigation. The Member may initiate a settlement offer. Any settlement offer shall be forwarded to the Disciplinary Panel with a recommendation by the Compliance Department that the proposed settlement be accepted, rejected, or modified. A settlement offer may be withdrawn at any time before it is accepted by the Disciplinary Panel.
- (b) The Disciplinary Panel may accept or reject a proposed settlement, and the decision of such Disciplinary Panel will be final. In addition, the Disciplinary Panel may propose a modification to the proposed settlement for consideration by the Member or its authorized representative and the Compliance Department.
- (c) Any settlement under this Rule will be written and will state:
 - (1) The charges or a summary of the charges;
 - (2) The response, if any, or a summary of the response;
 - (3) A summary of the investigation conducted;
 - (4) Findings and conclusions as to each charge, including each act the person charged was found to have committed or omitted, be committing or omitting, or be about to commit or omit, and each of these Rules that such act or practice violated, is violating, or is about to violate; and
 - (5) Any penalty imposed and the penalty's effective date.
- (d) Failed settlement negotiations, or withdrawn settlement offers, will not prejudice a Member or otherwise affect subsequent procedures in the Rule enforcement process.

RULE 9.5 NOTICE AND PUBLICATION OF DISCIPLINARY ACTION

- (a) Railbird will provide, to the Person charged, notice of the disciplinary action, appeal determination, or settlement in which sanctions are imposed, no later than two (2) Business Days after it becomes final in accordance with the provisions of CFTC Regulation 38.710.
- (b) Railbird will make public notice of the disciplinary action by posting on the Website, in accordance with CFTC Regulation 9.13, the information required by CFTC Regulation 9.11. The disciplinary action will be considered final on the date the notice of the disciplinary action is published on the Website.

RULE 9.6 PENALTIES

As a result of a disciplinary proceeding or as part of a settlement, Railbird may impose one or more of the following penalties, commensurate with the violation committed, in consideration of any relevant disciplinary history, and including full restitution where Member harm is identified 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 twelve-month period);
- (b) A fine or penalty fee for each violation of any Rule or Applicable Law sufficient to deter recidivism, which Railbird may cause and/or instruct the Clearinghouse to deduct from the applicable Member Account balance (which, for FCM Customers, is the FCM's Member Account and, in such event, the FCM may debit the FCM Customer's account maintained with the FCM in a corresponding amount);
- (c) Disgorgement of profits that resulted from the violation of any Rule, plus the cost of damages to any unoffending counterparties, which Railbird may cause and/or instruct the Clearinghouse to deduct from the applicable Member Account balance (which, for FCM Customers, is the FCM's Member Account and, in such event, the FCM may debit the FCM Customer's account maintained with the FCM in a corresponding amount);
- (d) Suspension of membership status for Members (other than FCM Customers) and/or trading privileges (for Members and FCM Customers) for a specified period, including partial suspension of such privileges (e.g., suspension of trading privileges in particular types of Contracts or of placement of certain types of Orders);
- (e) Revocation of membership status for Members (other than FCM Customers) and/or trading privileges (for Members and FCM Customers), including partial revocation of such privileges (e.g., revocation of trading privileges in particular types of Contracts or of placement of certain types of Orders); and
- (f) Interest, at the prime rate, as reported by the Wall Street Journal as of the date the amount becomes due, on any outstanding account balance, monetary fine, penalty fee, or disgorgement amount owed, compounded monthly and calculated from the date when the amount was first due and payable.

RULE 9.7 SUMMARY SUSPENSION

- (a) Railbird may summarily suspend or restrict a Member's privileges if the Chief Regulatory Officer believes suspension or restriction is necessary or advisable to protect the markets, Railbird, the public, or other Members.

- (b) Whenever reasonably practicable, Railbird will notify the Member whose privileges are to be summarily suspended by email before the action is taken. If prior notice is not reasonably practicable, the Member shall be served with notice by email at the earliest reasonable opportunity. In the case of an FCM Customer, the Exchange will also notify the FCM Customer's FCM. 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 Member 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 the CFTC Regulations, within ten (10) days of service.
- (c) The Member whose privileges are to be summarily suspended shall be given an opportunity for appeal under the procedures outlined in Rule 9.3(f) of these Rules. The decision affirming, modifying, or reversing the summary suspension shall be furnished by email to the suspended Member and the Commission no later than one (1) Business Day 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 Member 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 CFTC Regulations, within thirty (30) 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 CFTC Regulations, within ten (10) days of service.

For an FCM Customer, notice to the FCM Customer will be deemed given by sending notice to the FCM.

RULE 9.8 REPRESENTATION BY COUNSEL

A Member who is a subject of any proceedings under this Chapter 9 has the right to retain and be represented by counsel or any other representative of its choosing in all succeeding stages of the disciplinary process, except any member of the Board or the Disciplinary Panel, any employee of Railbird, or any person substantially related to the underlying investigations, such as a material witness or respondent.

RULE 9.9 REPORTING VIOLATIONS TO THE COMMISSION

- (a) Whenever Railbird suspends, expels, fines or otherwise disciplines or denies any Person access to the Platform, Railbird will make the disclosures required by CFTC Regulations.
- (b) Railbird will submit to the Commission a schedule 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 (30) days of the end of each calendar year. Railbird will maintain the schedule required by this section and post the schedule on the Website.
- (c) Railbird will submit to the Commission within thirty days of the end of each calendar year a certified list of any Members 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 Railbird finds by final decision that a Member or Person has violated a Rule or otherwise committed a disciplinary offense and such finding makes such person ineligible to serve on the Disciplinary Panel, Company committees, or the Board, Railbird 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 JURISDICTION OVER DISPUTES

- (a) All disputes between and among Members will be settled by mandatory arbitration before a Board of Arbitration in accordance with the Rules of this Chapter, unless the parties expressly agree otherwise.
- (b) Refusal by a Member to submit any such dispute to arbitration upon demand by the opposite party will constitute a violation of these Rules.

- (c) By submitting a Complaint (as defined below) for arbitration or Counterclaim (as defined below) pursuant to this Chapter, any Person consents to the jurisdiction of the Board of Arbitration to hear and finally determine the claim and any counterclaim that is properly submitted pursuant to Rule 10.4.

RULE 10.2 INITIATING A CLAIM

- (a) Any Person desiring to submit a dispute pursuant to these Rules (a “Claimant”) must file a written complaint, in substantially the form set forth in **Form 10-3** (a “Complaint”), or petition for joint arbitration, in substantially the form set forth in **Form 10-4** (a “Petition”), in each case made under oath and in duplicate with the Chief Regulatory Officer. Such Complaint or Petition must be accompanied with the applicable filing fee provided in Rule 10.10. Such Complaint or Petition must be filed within one (1) year after the date of the transaction from which the dispute arose.
- (b) For any Complaint(s) against Railbird, a copy of the Complaint must be hand delivered or sent by reputable courier to Mr. Stanton Dodge, DraftKings, 222 Berkeley Street, 5th Floor, Boston, MA 02116, with a copy to legalnotices@draftkings.com. A copy of any other Complaint or Petition must be served on the Respondent at such Person’s last known address by (1) handing it to the Person; (2) leaving it at the Person’s office with a clerk or other person in charge thereof; (3) if the office is closed or the Person has no office, leaving it at the Person’s dwelling or usual place of abode with some person of suitable age and discretion then residing therein; or (4) sending via mail, which shall be considered complete upon mailing.
- (c) If the Respondent desires to defend against or otherwise contest allegations made in a Complaint, the Respondent must file a written answer, in substantially the form set forth in **Form 10-5** (an “Answer”), under oath and in duplicate with the Chief Regulatory Officer within ten (10) Business Days from the day on which the Complaint was served.
- (d) In the event that the Respondent files a Counterclaim, the Claimant must file a written Answer under oath and in duplicate with the Chief Regulatory Officer within ten (10) Business Days from the day on which the statement of counterclaim form, in substantially the form set forth on **Form 10-6** (a “Counterclaim”) was served.
- (e) The Chief Regulatory Officer may, in its sole discretion grant further time for the filing of any such Answer upon reasonable cause. A copy of such Answer must be served on the Claimant or Respondent within the time allotted by the Company.
- (f) If the Respondent or the Claimant fails to provide an Answer within the time provided and has not been granted further time by the Chief Regulatory Officer, the Board of Arbitration will, upon the filing of proof of service of the Complaint or Counterclaim, consider the allegations contained in the forms admitted and

proceed to hear and decide the matter on the basis of the evidence and testimony available under the circumstances.

RULE 10.3 COUNTERCLAIMS

- (a) In the hearing on any dispute, the Board of Arbitration may hear or consider any matters of dispute between the parties as counterclaims if such matters are within the jurisdiction of the Board of Arbitration, directly connected with the matter set forth in the Complaint or arise under the same set of operative facts, and are properly raised by the Respondent in a Counterclaim. If the Respondent desires to present a counterclaim, the Respondent must file a written Counterclaim made under oath and in duplicate with the Chief Regulatory Officer at the same time as its Answer.
- (b) If a party to a dispute fails to raise a counterclaim that would otherwise be under the Board of Arbitration's jurisdiction, the party waives all rights to, and is barred from, raising the dispute that is the subject of the counterclaim in any other proceeding or venue.

RULE 10.4 BOARD OF ARBITRATION

- (a) Following the filing of a Complaint or Petition with the Chief Regulatory Officer, the Chief Regulatory Officer will constitute the Board of Arbitration by selecting three (3) persons from the Arbitration Pool, who will hear and decide the dispute between the parties (each known as an "Arbitrator"). The Board of Arbitration has all the powers and duties set forth in these Rules. Once appointed, each Arbitrator must submit an impartiality form, in substantially the form set forth in **Form 10-2** (the "Impartiality Form"), to the Company. Each Arbitrator must be available for the Board of Arbitration to hear or decide any dispute.
- (b) In any dispute brought by a Member against another Member, upon receipt of a Complaint, the Company will inform the Claimant in writing of the nature and amount of any other fees or costs that may be assessed against the party if a dispute is submitted for arbitration pursuant to this Chapter.
- (c) At the time of their appointment to any Board of Arbitration, each Arbitrator will receive and be responsible for understanding and following the American Arbitration Association's "Code of Ethics for Arbitrators in Commercial Disputes" then in effect.
- (d) The Board of Arbitration will be fully independent and impartial to the dispute. No Arbitrator will serve in any dispute in which they have a financial, personal, or prejudicial interest or concern before such Board of Arbitration. For the purpose of this Rule, a financial interest includes not only that of the person themselves, but also that of a partner, a dependent, a firm of which they are a copartner or employee or a corporation of which they are an officer, majority stockholder, director, or employee. Each Arbitrator has an affirmative duty to report any such financial, personal, or prejudicial interest or concern to the Chief

Regulatory Officer and Corporate Secretary, and upon appointment to the Board of Arbitration, each Arbitrator will complete the arbitrator profile form, in substantially the form set forth in **Form 10-1** (the “Arbitrator Profile Form”), and submit the same to the Chief Regulatory Officer and Corporate Secretary.

- (e) If an Arbitrator discloses a financial, personal, or prejudicial interest or concern, the disinterested Arbitrators involved will determine whether any person has such financial, personal, or prejudicial interest. If the disinterested Arbitrators determine that an Arbitrator is not fully independent and impartial, that Arbitrator will be dismissed, and the Chief Regulatory Officer shall replace such Arbitrator in accordance with Rule 10.4(h), and shall inform both parties.
- (f) After selecting the Arbitrators to hear a dispute or difference, the Chief Regulatory Officer will notify each party in writing of the names and company affiliations of the Arbitrators who will hear said dispute. The Arbitrator Profile Form and the Impartiality Form will be provided to the parties at such time. Upon receipt of such notice, either party may challenge the appointment of an Arbitrator for prejudice or other good cause within ten (10) Business Days of receipt of said notice. Upon the determination that such a challenge is valid, the Chief Regulatory Officer shall replace such Arbitrator in accordance with Rule 10.4(h), and will inform both parties.
- (g) The Secretary will appoint to the Board of Arbitration, from the Arbitration Pool, as many Arbitrators as necessary to take the places of Arbitrators who may not or cannot serve on the particular Board of Arbitration due to the following reasons:
 - (1) The Board of Arbitration determines that it is improper for an Arbitrator to serve during the hearing or decision of a dispute; or
 - (2) An Arbitrator is unable to serve during a hearing or decision.
- (h) When so appointed, such Arbitrators will have all the powers and duties of the members of the Board of Arbitration whom they replaced.
- (i) An Arbitrator that fails to attend any duly scheduled hearing of that Board of Arbitration will be fined two hundred fifty dollars (\$250.00) (for use by the Company) for each time that an Arbitrator fails to appear, unless an excuse satisfactory is made to the other Arbitrators.
- (j) At any time during the course of an Arbitration, the Board of Arbitration may, at the joint request of the parties involved, dismiss the proceeding and refer the parties to the remedies provided by law in a court of competent jurisdiction.
- (k) The Chief Regulatory Officer may act as administrator of any arbitrations brought pursuant to this chapter. The Chief Regulatory Officer may assist the Board of Arbitration as requested, but in no event will the Chief Regulatory Officer be involved substantively in deciding any Complaint or Counterclaim, nor will the Chief Regulatory Officer affect in any way the impartiality of the Arbitrators.

RULE 10.5 PRE-HEARING PROCEDURES

- (a) The parties will cooperate in all voluntary exchange of material and relevant documents and written information which may serve to facilitate a fair, equitable and expeditious hearing.
- (b) The Company will make available to the parties, upon request, any documents or written information in its possession that might bear on the case subject to the limitations set forth in Rule 9.3, which would otherwise not be available to the parties or the Board of Arbitration.
- (c) The Board of Arbitration may subpoena documents when necessary and may apply reasonable sanctions for noncompliance with such subpoena orders or any other reasonable requests or orders to provide documents.
- (d) The names of all witnesses must be furnished to the Board of Arbitration and be made available to all parties.
- (e) In the event that a party refuses to comply with any subpoena of the Board of Arbitration, the opposing party may apply to a court of appropriate jurisdiction to enforce such subpoena to compel the production of books or papers before any Board of Arbitration.
- (f) The Board of Arbitration will schedule one or more pre-hearing meetings as early as is practicable to select a chairperson from among its Arbitrators, determine appropriate hearing dates and address any other issues deemed to be appropriate or raised by the parties.

RULE 10.6 HEARINGS

- (a) Either party may request an oral hearing by written request to the Chief Regulatory Officer on or before the date that is five (5) Business Days after the date on which that Respondent's Answer is due. If neither party requests an oral hearing, the Board of Arbitration may proceed to decide the matter on the basis of the materials submitted by the parties.
- (b) If an oral hearing is requested, the Board of Arbitration will set a date for hearing at a pre-hearing meeting, and notice of the date, time and place of such hearing will be served upon the parties in accordance with the procedures set forth in Rule 10.2(c). All hearings must be held at the Company's offices in New York, New York. The parties will cooperate with the Chief Regulatory Officer in the process of preparing for the hearing, and must submit all relevant documentation and information to the Chief Regulatory Officer at least ten (10) Business Days prior to the date of the hearing. The parties bear the responsibility to provide the Chief Regulatory Officer reasonable advance notice of the inability of any witness to attend the hearing. In any case where witnesses are unable to attend a hearing, the Board of Arbitration, upon the request of the parties involved, may permit the use of electronic participation.

- (c) If a party to a dispute fails to appear for the hearing, the Board of Arbitration may, upon the filing of proof of service of notice of the hearing on such party, proceed to hear and decide the dispute and make its decision and award on the basis of the evidence and testimony adduced at the hearing.
- (d) The Board of Arbitration may grant a postponement of the hearing at its sole discretion if a party makes a request in writing to the Board of Arbitration at least five (5) Business Days prior to the date of the hearing.
- (e) In each case before the Board of Arbitration, the statements and testimony of the parties and witnesses must be made under oath (or affirmation), the form of which will be as follows:

You do solemnly swear that the evidence you give in the matter of dispute between _____, as Claimant, and _____ as Respondent, now on hearing, shall be the truth, the whole truth, and nothing but the truth, so help you God.

- (f) Any party to a dispute before the Board of Arbitration may be represented by counsel at their own expense; provided that party has filed written notice of his intention to be represented by counsel with the Chief Regulatory Officer at least ten (10) Business Days prior to any hearing. A Complaint, Answer, or other document filed by an attorney constitutes notification of either party's intention to be represented by counsel. This notice of intention may be waived by the Board of Arbitration, but such waiver may result in a delay of the hearing date.
- (g) The Board of Arbitration may issue a notice of citation requiring any Person to appear before it and to answer any question that is proper and pertinent to the matter under investigation and to submit to it for examination any books, papers, records, or other documents that are pertinent to the matter under investigation. In the event that a Person refuses to comply with any citation of the Board of Arbitration, the opposing party may apply to a court of appropriate jurisdiction to enforce such citation to compel the appearance of any Person and to submit for examination any requested documents before any Board of Arbitration. No witness will be required to answer any question if the answer would incriminate them. The Board of Arbitration may exclude any evidence or testimony it deems incompetent, irrelevant, or immaterial.

RULE 10.7 HEARING PROCEDURES

- (a) Prior to the commencement of any hearing, the Chief Regulatory Officer will administer an oath in the following form to the Arbitrators:

You, and each of you, do solemnly swear that in the hearing and determination of the matter of dispute submitted to you by _____, as Claimant, and by _____, as Respondent, will well, truly and faithfully perform your duty as arbitrators.

- (b) The case will proceed in the following manner:

- (1) Reading or presentation of the Complaint, any Counterclaim, and Answer(s);
 - (2) Presentation of the case and witnesses, if any, by Claimant;
 - (3) Cross-examination of witnesses, if any, by Respondent;
 - (4) Questioning of witnesses by the Arbitrators;
 - (5) Presentation of the case and witnesses, if any, by Respondent;
 - (6) Cross-examination of witnesses, if any, by Claimant;
 - (7) Questioning of witnesses, if any, by the Arbitrators;
 - (8) Rebuttal or sur-rebuttal testimony, if any;
 - (9) Case declared closed; and
 - (10) Presentation of arguments by Claimant and Respondent, with the Respondent to have the closing argument.
- (c) In any dispute before a Board of Arbitration, unless expressly waived by the parties, the testimony and proceedings taken during any hearing will be transcribed by a court reporter, the cost of which will be assessed by the Board of Arbitration in the same manner as other fees and costs in the case. Either party may request a transcript of the proceedings at their own expense.

RULE 10.8 DECISIONS AND AWARDS

- (a) The Board of Arbitration selected to hear and decide a particular dispute must decide the same in accordance with the facts disclosed by competent evidence and pursuant to these Rules and usages and customs of the Company. Ex parte contacts by any of the parties to the arbitration with members of the Board of Arbitration is prohibited.
- (b) The decision and award of a Board of Arbitration must be made in writing within ninety (90) days after the close of the case, and will conclusively include and determine all matters submitted by the parties, unless the contrary appears affirmatively upon the face of the decision and award.
- (c) The decisions and awards of the Board of Arbitration will begin in substantially the following form:

IN ARBITRATION
IN THE MATTER OF

_____, Claimant

vs.

_____, Respondent

The Board of Arbitration, after due consideration of all matters submitted to it in the dispute above entitled, does hereby make the following decision and award: ...

- (d) A Decision and Award must be accompanied by such explanations or statements as the Board of Arbitration deems necessary to fully advise the parties of the reasons or basis for its decision and award. The decision and award of the Board of Arbitration must be signed by the Arbitrators. Arbitrators who did not concur in an Award may prepare a dissenting opinion in writing, signed by such Arbitrators.
- (e) There is no right to an appeal from any decision and award. The decision and award is final and conclusive upon the parties as to all matters decided by that Board of Arbitration.
- (f) The decision and award and any dissenting opinion must be filed with the Chief Regulatory Officer, who will immediately serve a copy upon each of the parties. The decision and award and dissenting opinions will remain in the permanent records of the Company.
- (g) The party or parties against whom a decision and award has been rendered must comply with that decision and award within ten (10) Business Days after a copy of that decision and award is served upon it. Failure to pay the full amount of the decision and award or assessment of costs to the Company, as escrow agent, within thirty (30) days of notice of the decision and award or assessment of costs, will be deemed to be a failure to perform a Company contract in accordance with Rule 5.13(n).
- (h) In case of failure to pay, the party in whose favor a decision and award has been made may apply to the Chief Regulatory Officer, who will deliver to the prevailing party a certified copy of the decision and award that may be filed with a court of competent jurisdiction at the prevailing party's sole expense and election.
- (i) Any Member that violates any Rule, including but not limited to failing to pay any Decision and Award, will be deemed to be in violation of these Rules and may be subject to disciplinary action by the Company.
- (j) The Board of Arbitration will cooperate with the Chief Regulatory Officer to maintain, track, log and retain a complete record of the entire arbitration proceeding.

RULE 10.9 CONFIDENTIALITY OF THE PROCEEDINGS

- (a) All proceedings of any Board of Arbitration will remain confidential. Notwithstanding the foregoing, the Company may disclose any part of the record

or Decision and Award to any federal authority with appropriate jurisdiction, including the CFTC, upon reasonable request.

- (b) The decision and award issued in any arbitration may be posted publicly on the Website or otherwise made available to the public, provided that any confidential or otherwise proprietary information of the parties or the dispute is redacted prior to being made public.

RULE 10.10 FEES AND COSTS

- (a) Fees must be paid in advance by the Claimant to the Company in each case, and such fees will be retained by the Company whether the case is heard or not. The Board of Arbitration may assess additional fees as allowed by these Rules at any time. Fees are not to be applied against costs of hearing any case.
- (b) For each case brought pursuant to the Rules of this Chapter 10, the following fees will apply:
 - Up to \$10,000: \$600
 - \$10,001 to \$50,000: \$700
 - \$50,001 to \$100,000: \$1,000
 - \$100,001 to \$200,000: \$2,000
 - \$200,001 and above: \$2,500 + 1% of total value in Complaint
 - Any non-monetary claims: \$1,500
- (c) The Chief Regulatory Officer may assess such actual costs incurred by the Company in the administration of any arbitration to the parties, including but not limited to reasonable labor on behalf of Company employees. Any costs will be split equally between the parties and must be paid within thirty (30) days of receiving notice of any assessment.
- (d) Any fees and costs of the Company referred to in these Rules incurred in connection with the hearing of any case brought before a Board of Arbitration may be assessed against and allocated between the parties as that Board of Arbitration determines; provided that the award of fees and costs is included in the decision and award in the case of costs of the Company that had previously been assessed and paid by the parties pursuant to Rule 10.10(b). The Board of Arbitration may order the reimbursement of any costs paid by any party.
- (e) The Board of Arbitration may, in its discretion, award such costs incurred by the prevailing party as would be allowed by a prevailing litigant under 28 U.S.C. § 1920, as now in effect or hereafter amended. Any award of costs must be included in the decision and award.
- (f) The Board of Arbitration may, in its discretion, award reasonable attorneys' fees incurred by the prevailing party, provided that the award of attorneys' fees is included in the decision and award.

- (g) When a decision and award has been rendered, the Chief Regulatory Officer will ensure that the fees, costs and attorneys' fees, as applicable, will be assessed according to the decision and award. The Chief Regulatory Officer will distribute such payment and adjust or refund the amounts previously deposited so that all the costs and fees involved are paid in accordance with the terms of the decision and award.

CHAPTER 11: LIMITATION OF LIABILITY; TIME PERIOD IN WHICH TO BRING ACTIONS; GOVERNING LAW

RULE 11.1 PROPERTY RIGHTS

- (a) Each Member hereby acknowledges and agrees that Railbird owns and shall retain all right, title and interest in and to the Platform, 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, copyright, trademark, service mark, trade secret, trade name, data or database rights, design rights, moral rights, inventions, whether or not capable of protection by patent or registration, rights in commercial information or technical information, including know-how, research and development data and manufacturing methods, patent, and other intellectual property and ownership rights, including applications for the grant of any of the same, in or to Railbird and all other related proprietary rights of Railbird 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 Member further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of Railbird. Each Member acknowledges and agrees that it shall not 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 Platform or the Proprietary Information. Each Member further agrees 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 Platform or any Proprietary Information.
- (b) Subject to the provisions of this Rule 11.1, each Member hereby acknowledges and agrees that Railbird 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 Members may use market data for their own internal business purposes. Without limiting the generality of the foregoing, Members may not distribute, sell or retransmit market data to any third party.

- (c) Notwithstanding any other provision of this Rule 11.1, each Member retains such rights as it may possess under Applicable Law with respect to market data solely in the form such market data was submitted to Railbird by such Member.
- (d) Other than to the extent required by Applicable Law or any Regulatory Agency, 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 Member who has submitted such data.
- (e) Railbird shall not condition access to the Platform upon a Member'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 Member has clearly consented to the use of Proprietary Data and Personal Information in such manner. Railbird, where necessary for regulatory purposes, may share Proprietary Data and Personal Information with one or more Designated Contract Markets, Swap Execution Facilities or Derivative Clearing Organizations. Nothing in this Rule shall preclude Railbird from disclosing Proprietary Data and Personal Information:
 - (1) As required by Applicable Law or legal process;
 - (2) As Railbird 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 Railbird;
 - (5) To a duly authorized representative of the CFTC lawfully requesting Proprietary Data and Personal Information;
 - (6) In a manner in which a Member consents to such disclosure;
 - (7) Pursuant to the terms of an information-sharing agreement; or
 - (8) As permitted by CFTC Regulations.

RULE 11.2 SIGNATURES

Rather than rely on an original signature, Railbird 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, email, 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 11.3 LIMITATION OF LIABILITY

- (a) EACH MEMBER AGREES THAT NEITHER RAILBIRD NOR ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AND/OR SOFTWARE, HARDWARE, AND SERVICE PROVIDERS (EACH A “RAILBIRD PARTY” AND COLLECTIVELY REFERRED TO AS “RAILBIRD PARTIES”) SHALL HAVE ANY RESPONSIBILITY FOR COMPLIANCE BY A MEMBER WITH ANY LAW OR REGULATION GOVERNING SUCH MEMBER’S CONDUCT. MOREOVER, EACH MEMBER AGREES THAT NO RAILBIRD PARTY SHALL BE LIABLE IN ANY MANNER WHATSOEVER FOR ANY LOSS OR DAMAGE SUSTAINED BY SUCH MEMBER, INCLUDING ANY CONSEQUENTIAL LOSS, LOSS OF PROFIT OR LOSS OF TRADING OPPORTUNITY, AS A RESULT OF ANY ACTUAL OR PROPOSED TRANSACTIONS OR AS A DIRECT OR INDIRECT RESULT OF ANY SERVICES PROVIDED BY ANY OF THE RAILBIRD PARTIES (INCLUDING, WITHOUT LIMITATION, ANY FAILURE IN RAILBIRD’S PLATFORM OR SYSTEMS OR ANY INACCURATE INFORMATION PROVIDED BY A RAILBIRD PARTY). THE RAILBIRD PARTIES’ AGGREGATE MAXIMUM LIABILITY WITH RESPECT TO THIS RULEBOOK AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT EXCEED ONE HUNDRED DOLLARS (\$100). FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS RULE IS INTENDED TO LIMIT THE LIABILITY OF ANY PERSON AS MAY BE PROVIDED IN THE CEA, CFTC REGULATIONS, OR BY ACTS OF GROSS NEGLIGENCE, WILLFUL OR WANTON MISCONDUCT, OR FRAUD. EACH MEMBER AGREES THAT IT MAY NOT BRING ANY ACTION AGAINST A RAILBIRD PARTY UNLESS IT BRINGS SUCH ACTION WITHIN ONE (1) YEAR OF THE FIRST OCCURRENCE OR LACK OF OCCURRENCE OF THE ACT OR OMISSION COMPLAINED OF.
- (b) EACH MEMBER AGREES THAT ANY ACTION IT BRINGS AGAINST ANOTHER MEMBER WILL BE RESOLVED BY BINDING ARBITRATION, IN ACCORDANCE WITH THE RULES OF THIS CHAPTER, CHAPTER 10 OF THIS RULEBOOK, AND THE OTHER RULES, AS APPLICABLE. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION OR THE BOARD OF ARBITRATION FINDS THAT SUCH DISPUTE IS NOT ARBITRABLE, EACH MEMBER AGREES THAT SUCH DISPUTE (I) WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS OR ANY OTHER PROVISION OF LAW THAT WOULD ALLOW FOR OR MANDATE THE APPLICATION OF THE SUBSTANTIVE LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF NEW YORK AND (II) MAY ONLY BE LITIGATED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR ANY STATE COURT OF COMPETENT JURISDICTION SITTING IN THE BOROUGH OF MANHATTAN IN NEW YORK, NEW YORK (THE “CHOSEN COURTS”). EACH MEMBER IRREVOCABLY AGREES TO THE EXCLUSIVE

JURISDICTION OF THE CHOSEN COURTS AND WAIVES ANY FORUM NON-CONVENIENS DEFENSES. EACH MEMBER IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS RULEBOOK OR THE TRANSACTIONS CONTEMPLATED HEREBY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

- (c) EACH MEMBER AGREES THAT ANY ACTION IT BRINGS AGAINST A RAILBIRD PARTY (I) WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS OR ANY OTHER PROVISION OF LAW THAT WOULD ALLOW FOR OR MANDATE THE APPLICATION OF THE SUBSTANTIVE LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF NEW YORK AND (II) MAY ONLY BE LITIGATED IN THE CHOSEN COURTS. EACH MEMBER IRREVOCABLY AGREES TO THE EXCLUSIVE JURISDICTION OF THE CHOSEN COURTS AND WAIVES ANY FORUM NON-CONVENIENS DEFENSES. EACH MEMBER IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS RULEBOOK OR THE TRANSACTIONS CONTEMPLATED HEREBY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

CHAPTER 12: COMMISSION REGULATIONS THAT HAVE BEEN ADAPTED TO BE PART OF THE RULES

The following Rules are adaptations of CFTC Regulations, and must be followed by the Members and Railbird. Any violation of these CFTC Regulations by a Member will be a punishable violation of the Rules.

RULE 12.1 PROHIBITION ON THE USE AND DISCLOSURE OF MATERIAL, NON-PUBLIC INFORMATION (ADAPTED FROM CFTC REGULATION 1.59)

- (a) **Employees of Railbird.**
- (1) Employees of Railbird are prohibited from trading, directly or indirectly, in any:
- (i) commodity interest traded on Railbird;
 - (ii) related commodity interest;
 - (iii) commodity interest traded on contract markets (other than Railbird) or swap execution facilities or cleared by derivatives clearing organizations if the employee has access to material non-public information concerning such commodity interest; and

- (iv) commodity interest traded on or cleared by a linked exchange if the employee has access to material, non-public information concerning such commodity interest.
- (2) Employees of Railbird are prohibited from disclosing to any other person any material, non-public information which such employee obtains as a result of his or her employment at Railbird where such employee has or should have a reasonable expectation that the information disclosed may assist another person in trading any commodity interest; however, this Rule does not prohibit disclosures made (i) in the ordinary course of an employee's duties or (ii) to another self-regulatory organization, linked exchange, court of competent jurisdiction or representative of any agency or department of the federal or state government acting in his or her official capacity.
- (b) **Members of Railbird's Board and committees, and Railbird consultants.** No member of the Board or any committee thereof, and no Railbird consultant, shall use or disclose, for any purpose other than the performance of such person's official duties as a Board or committee member or consultant, material, non-public information obtained as a result of such person's official duties.
- (c) **Prohibited conduct.**
 - (1) No person who is an employee of, Board member of, a member of any committee of, or a consultant of Railbird shall:
 - (i) Trade for such person's own account, or for or on behalf of any other account, in any commodity interest on the basis of any material, non-public information obtained through special access related to the performance of such person's official duties as an employee, Board or committee member, or consultant; or
 - (ii) Disclose for any purpose inconsistent with the performance of such person's official duties as an employee, board or committee member, or consultant, any material, non-public information obtained through special access related to the performance of such duties.
 - (2) No person shall trade for such person's own account, or for or on behalf of any account, in any commodity interest, on the basis of any material, non-public information that such person knows was obtained in violation of paragraph (c)(1) from an employee of, a Board member of, a member of any committee of, or a consultant of Railbird.
- (d) For purposes of this Rule, the terms "material information," "non-public information," "linked exchange", "commodity interest," and "related commodity interest" have the same meanings as they do in CFTC Regulation 1.59.

**RULE 12.2 SERVICE ON SELF-REGULATORY ORGANIZATION GOVERNING
BOARDS OR COMMITTEES BY PERSONS WITH DISCIPLINARY HISTORIES
(ADAPTED FROM CFTC REGULATION 1.63)**

- (a) A person is ineligible to serve on any Railbird disciplinary committees, arbitration panels, oversight panels or the Board if that person:
- (1) Was found within the prior three (3) years by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission to have committed a disciplinary offense;
 - (2) Entered into a settlement agreement within the prior three (3) years in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
 - (3) Currently is suspended from trading on any contract market, is suspended or expelled from membership with any self-regulatory organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:
 - (i) A finding by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission that such person committed a disciplinary offense; or
 - (ii) A settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.
 - (4) Currently is subject to an agreement with the Commission or any self-regulatory organization not to apply for registration with the Commission or membership in any self-regulatory organization;
 - (5) Currently is subject to or has had imposed on him within the prior three years a Commission registration revocation or suspension in any capacity for any reason, or has been convicted within the prior three years of any of the felonies listed in section 8a(2)(D) (ii) through (iv) of the CEA; or
 - (6) Currently is subject to a denial, suspension or disqualification from serving on the disciplinary committee, arbitration panel or Board of any self-regulatory organization as that term is defined in section 3(a)(26) of the Securities Exchange Act of 1934.
- (b) No person may serve on a disciplinary committee, arbitration panel, oversight panel or Board of Railbird if such person is subject to any of the conditions listed in paragraphs (a)(1)-(6) of this Rule.
- (c) Railbird shall submit to the Commission a schedule listing all those Rule violations which constitute disciplinary offenses and to the extent necessary to

reflect revisions shall submit an amended schedule within thirty (30) days of the end of each calendar year. Railbird must maintain and keep current the schedule required by this section, post the schedule in a public place designed to provide notice to members and otherwise ensure its availability to the general public.

- (d) Railbird shall submit to the Commission within thirty (30) days of the end of each calendar year a certified list of any persons who have been removed from its disciplinary committees, arbitration panels, oversight panels or Board pursuant to the requirements of this regulation during the prior year.
- (e) Whenever Railbird finds by final decision that a person has committed a disciplinary offense and such finding makes such person ineligible to serve on that self-regulatory organization's disciplinary committees, arbitration panels, oversight panels or Board, Railbird shall inform the Commission of that finding and the length of the ineligibility in any notice it is required to provide to the Commission pursuant to either section 17(h)(1) of the CEA or CFTC Regulation 9.11.
- (f) Terms used but not otherwise defined in this Rule have the meaning assigned to them in CFTC Regulation 1.63.

RULE 12.3 VOTING BY INTERESTED MEMBERS OF SELF-REGULATORY ORGANIZATION GOVERNING BOARDS AND VARIOUS COMMITTEES (ADAPTED FROM CFTC REGULATION 1.69)

- (a) Railbird shall maintain in effect Rules that have been submitted to the Commission pursuant to Section 5c(c) of the CEA and Part 40 of the CFTC Regulations to address the avoidance of conflicts of interest in the execution of its self-regulatory functions. Such Rules provide for the following:
 - (1) Relationship with named party in interest —
 - (i) Nature of relationship. A member of Railbird's Board, disciplinary committee or oversight panel must abstain from such body's deliberations and voting on any matter involving a named party in interest where such member:
 - (A) Is a named party in interest;
 - (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, not including relationships limited to executing futures or option transactions opposite

of each other or to clearing futures or option transactions through the same clearing member; or

- (E) Has a family relationship with a named party in interest.
 - (ii) Disclosure of relationship. Prior to the consideration of any matter involving a named party in interest, each member of a Railbird Board, disciplinary committee or oversight panel must disclose to the appropriate Railbird staff whether he or she has one of the relationships listed in paragraph (a)(1)(i) of this Rule with a named party in interest.
 - (iii) Procedure for determination. Railbird must establish procedures for determining whether any member of its Board, disciplinary committees or oversight committees is subject to a conflicts restriction in any matter involving a named party in interest. Taking into consideration the exigency of the committee action, such determinations should be based upon:
 - (A) Information provided by the member pursuant to paragraph (a)(1)(ii); and
 - (B) Any other source of information that is held by and reasonably available to Railbird.
- (2) Financial interest in a significant action —
- (i) Nature of interest. A member of Railbird’s Board, disciplinary committee or oversight panel must abstain from such body’s deliberations and voting on any significant action if the member knowingly has a direct and substantial financial interest in the result of the vote based upon either exchange or non-exchange positions that could reasonably be expected to be affected by the action.
 - (ii) Disclosure of interest. Prior to the consideration of any significant action, each member of Railbird’s Board, disciplinary committee or oversight panel must disclose to the appropriate Railbird staff the position information referred to in paragraph (a)(2)(iii) of this Rule that is known to him or her. This requirement does not apply to members who choose to abstain from deliberations and voting on the subject of significant action.
 - (iii) Procedure for determination. Railbird must establish procedures for determining whether any member of its Board, disciplinary committees or oversight committees is subject to a conflict restriction under this section in any significant action. Such determination must include a review of:

- (A) Gross positions held at Railbird in the member’s personal accounts or “controlled accounts,” as defined in CFTC Regulation 1.3;
 - (B) Gross positions held at Railbird in proprietary accounts, as defined in CFTC Regulation 1.17(b)(3), at the member’s affiliated firm;
 - (C) Gross positions held at Railbird in accounts in which the member is a principal, as defined in CFTC Regulation 3.1(a);
 - (D) Net positions held at Railbird in “customer” accounts, as defined in CFTC Regulation 1.17(b)(2), at the member’s affiliated firm; and
 - (E) Any other types of positions, whether maintained at Railbird or elsewhere, held in the member’s personal accounts or the proprietary accounts of the member’s affiliated firm that Railbird reasonably expects could be affected by the significant action.
- (iv) Bases for determination. Taking into consideration the exigency of the significant action, such determinations should be based upon:
- (A) The most recent large trader reports and clearing records available to Railbird;
 - (B) Information provided by the member with respect to positions pursuant to paragraph (a)(2)(ii) of this Rule; and
 - (C) Any other source of information that is held by and reasonably available to Railbird.
- (3) Participation in deliberations.
- (i) Under the Rules required by this section, Railbird’s Board, disciplinary committee or oversight panel may permit a member to participate in deliberations prior to a vote on a significant action for which he or she otherwise would be required to abstain, pursuant to paragraph (a)(2) of this Rule, if such participation would be consistent with the public interest and the member recuses himself or herself from voting on such action.
 - (ii) In making a determination as to whether to permit a member to participate in deliberations on a significant action for which he or she otherwise would be required to abstain, the deliberating body shall consider the following factors:

- (A) Whether the member's participation in deliberations is necessary for the deliberating body to achieve a quorum in the matter; and
- (B) Whether the member has unique or special expertise, knowledge or experience in the matter under consideration.
- (iii) Prior to any determination pursuant to paragraph (a)(3)(i) of this Rule, the deliberating body must fully consider the position information which is the basis for the member's direct and substantial financial interest in the result of a vote on a significant action pursuant to paragraph (a)(2) of this Rule.
- (4) Documentation of determination. Railbird's Board, disciplinary committees, and oversight panels must reflect in their minutes or otherwise document that the conflicts determination procedures required by this section have been followed. Such records also must include:
 - (i) The names of all members who attended the meeting in person or who otherwise were present by electronic means;
 - (ii) The name of any member who voluntarily recused himself or herself or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated; and
 - (iii) Information on the position information that was reviewed for each member.
- (b) Terms used but not otherwise defined in these Rules have the meaning assigned to them in CFTC Regulation 1.69.

CHAPTER 13: TERMS OF CONTRACTS TRADED ON RAILBIRD

The following Rules set forth the terms of the Contracts traded on Railbird. Railbird shall not list for trading any contract on its Exchange that is readily susceptible to manipulation. Certain terms and conditions outside of those listed in Rule 13.1 will vary and will be posted in the appropriate chapter related to the individual contract. Terms and conditions for all contracts will also be posted on the Website. You should not trade any Contract unless you are certain that you completely understand and accept its terms. Additional information with respect to each Contract can be found on the homepage for the specific Contract.

RULE 13.1 TERMS THAT ARE UNIFORM ACROSS CONTRACTS

There are certain terms that are uniform across Contracts:

- (a) The minimum unit of trading is one Contract.

- (b) All Contract prices are quoted in U.S. Dollars and cents per Contract.
- (c) The minimum quote increment for each Contract is \$0.01 per Contract.
- (d) All Market Outcomes will be posted on the Website no later than 11:59 pm Eastern Time on the day that such Market Outcomes are determined. If the Market Outcome Review Process is initiated under Rule 7.1, the final Market Outcome will be posted on the Website no later than 11:59 pm Eastern Time on the day that the Outcome Review Committee reaches a determination on the Contract's final Market Outcome.
- (e) All Binary Contracts are deemed to be "swaps" as defined in 17 USC 1a(47).
- (f) Halted Markets – In the event that any market irregularities are declared by the Chief Executive Officer of Railbird, or to prevent or reduce the potential risk of price distortions or market disruptions, a market may be paused or halted for trading, and the Commission will be notified, if required, pursuant to CFTC Regulations. An explanation will be posted on the Railbird Notices section of the Website within a reasonable amount of time but no later than twenty-four (24) hours after the initiation of the halt.
- (g) Discretion to Refrain from Listing Contracts – Railbird may, in its discretion, temporarily refrain from the listing of any Contract due to the unavailability of the Underlying upon which the Contract is based, or any other condition Railbird determines may be detrimental to the listing of the Contract.
- (h) Contract Modifications – Specifications shall be fixed as of the first day of trading of a Contract, except as provided in Rule 2.8 and Rule 7.2 of these Rules or as set forth in Rules specific to a Contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, such order, ruling, directive or law shall be construed to take precedence and become part of these Rules, and all open and new Contracts shall be subject to such government orders.
- (i) Any change in instructions, order, ruling, directive, or law issued or enacted by any court or agency of the Federal Government of the United States that conflicts with the Rules contained in this Rulebook shall take precedence, immediately become a part of these Rules, and be effective for all currently traded and newly listed Contracts.
- (j) Contract terms and conditions and supporting information filed under Part 40 will follow guidance found in Appendix C to Part 38—Demonstration of Compliance that a Contract is not readily susceptible to manipulation.
- (k) Temporary Market Suspensions and/or Delays – Any Contract may be temporarily suspended or subject to order-entry/display delays as necessary to maintain a fair and orderly market, consistent with these Rules and Applicable Law, with notice provided on the Website or Platform as soon as reasonably

practicable. Any such order entry or display delay will be implemented on a non-discriminatory basis and noticed on the Website or the Platform.

CHAPTER 14: FORMS

Form 10-1: Arbitration Profile

Form 10-2: Impartiality Form

Form 10-3: Statement of Claim

Form 10-4: Petition for Joint Arbitration

Form 10-5: Respondent's Answer

Form 10-6: Statement of Counterclaim

The information included on Part 1 of the data sheet will be disclosed to the parties at the time you are selected to enable them to determine potential conflicts of interest.

Name: _____

Position: _____

Employer's Name: _____

Employer's Address: _____

Street

City

State

Zip

Preferred mailing address: _____ Business

_____ Home

_____ Other

In the space provided below, please list your employment history. Include your present position first. If retired, please list your last employer, number of years at the firm and date of retirement. A resume may be submitted in lieu of this section.

Previous Employer: _____

Starting Date: ____ / ____ / _____ Ending Date: ____ / ____ / _____ Year(s) _____
 Month Date Year Month Date Year

Position/Title: _____

Duties/Responsibilities: _____

Previous Employer: _____

Starting Date: ____ / ____ / _____ Ending Date: ____ / ____ / _____ Year(s) _____
 Month Date Year Month Date Year

Position/Title: _____

Duties/Responsibilities: _____

In the space provided below, please list your educational background.
(Information provided in this section is optional)

School Level	Name and Location	No. of Years Attended	Did You Graduate	Subjects Studied
High School				
College				
Graduate School				
Trade Business or Other School				

Describe any current or prior experience, as an arbitrator in a commodities dispute including, but not limited to, experience as an arbitrator, or other experience that you feel qualifies you to serve.

List the name of any Professional or Business Associations of which you are a member. Include offices held.

PART II
Page 1 of 2

Name: _____ Social Security No: _____

Home Telephone: (_____) _____ Date of Birth: ____ / ____ / ____
(Include Area Code) Month Date Year

Office Telephone: (_____) _____
(Include Area Code)

Home Address: _____
Street City State Zip

The following information is requested to enable the Corporate Secretary and/or Chief Regulatory Officer of the Company to determine if there is a potential conflict which would preclude your serving on a particular arbitration panel.

1. Brokerage firm(s) where you maintain an account (include IRA and Keogh Accounts).

2. Do you, your employer/firm, or family have significant business relationship with commodities firms? If so, please list the name of the firm(s) and the type of relationship.

3. Have you ever had your registration or authority to practice any business or professional license revoked or suspended? _____

4. Have you ever been disciplined by Railbird Exchange or another self-regulatory organization? If so, give dates and details.

Form 10-1

5. Previous arbitration experience:

6. Related areas of expertise:

7. What Attorneys:

A. Areas of practice in which you are most active: _____

B. Bar Admission - Jurisdiction:

I AFFIRM THAT THE INFORMATION SUPPLIED ON THIS FORM IS, TO THE BEST OF MY KNOWLEDGE, CORRECT AND COMPLETE.

Signature

Date

**PLEASE COMPLETE, SIGN AND
RETURN THIS FORM TO:**

**RAILBIRD EXCHANGE, LLC
Corporate Secretary & Chief Regulatory Officer
199 Water Street
New York, NY 10038**

ELECTRONIC COPIES (WHICH SHALL NOT CONSTITUTE NOTICE) TO:

**Corporate Secretary and Chief Regulatory Officer at DKeXCompliance@draftkings.com
legalnotices@draftkings.com**

Form 10-1

**RAILBIRD EXCHANGE, LLC
FORM 10-3
STATEMENT OF CLAIM**

_____ 20, _____

**To the Corporate Secretary and Chief Regulatory Officer of
Railbird Exchange**

_____, *Complainant*, hereby submitting to the jurisdiction of a Board of Arbitration, and hereby voluntarily submits the Claim or Grievance herein referred to, to the arbitrament of said Panel, makes and files this Complaint against _____, *as Respondent*, in accordance with the Charter, Rules, customs and usages of Railbird Exchange with a view to an arbitration thereunder.

AND FOR CAUSE OF COMPLAINT SAYS: That Complainant has a matter of dispute or difference with Respondent growing out of a transaction, the facts and particulars relating to which are as follows:

(The Complainant shall then set forth in plain language the substance and particulars of the Complainants demands, commodity, date, month, quantity, price, time, parties involved, etc.)

*(If you need more space to explain your claim,
please attach additional paper.)*

The computation of monetary loss is based on the following calculation:

In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as floor orders, account statements, time and sales, trading cards, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

C-1 _____	C-7 _____
C-2 _____	C-8 _____
C-3 _____	C-9 _____
C-4 _____	C-10 _____
C-5 _____	C-11 _____
C-6 _____	C-12 _____

Subscribed and sworn to before me this _____ day
of _____ A.D., 20____
Notary Public, _____ County
State of _____

Petitioner's Signature:

Print Name

Notary Public

Date

SEAL

**RAILBIRD EXCHANGE, LLC
FORM 10-4
PETITION FOR JOINT ARBITRATION**

_____ 20, _____

**To the Corporate Secretary and Chief Regulatory Officer of
Railbird Exchange**

_____ and _____ submit
to the jurisdiction of a Board of Arbitration, and hereby voluntarily submit their respective claims
or grievances hereinafter referred to, to the arbitrament of a panel of arbitration in accordance with
the Charter, Rules, custom and usages of Railbird Exchange.

Attached hereto is a sworn statement of claim or grievance by each Petitioner. Also attached are
documents, if any, which are submitted as evidence to support each Petitioner’s grievance or claim.

Petitioners jointly wish to place the matters in issue before a Board of Arbitration, but neither
Petitioner wishes to take the position of Complainant. The Board of Arbitration will, however, for
procedural purposes only, including the identifying caption of the matter, assign one Petitioner as
Complainant and one Petitioner as Respondent.

First Petitioner

Second Petitioner

The computation of monetary loss is based on the following calculation:

In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as floor orders, account statements, time and sales, trading cards, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

P-1 _____	P-7 _____
P-2 _____	P-8 _____
P-3 _____	P-9 _____
P-4 _____	P-10 _____
P-5 _____	P-11 _____
P-6 _____	P-12 _____

Subscribed and sworn to before me this _____ day
of _____ A.D., 20____
Notary Public, _____ County
State of _____

Petitioner's Signature: _____

Print Name

Notary Public

Date

SEAL

PETITION FOR JOINT ARBITRATION
Second Petitioner
Page 5 of 5

The computation of monetary loss is based on the following calculation:

In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as floor orders, account statements, time and sales, trading cards, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

PP-1 _____	PP-7 _____
PP-2 _____	PP-8 _____
PP-3 _____	PP-9 _____
PP-4 _____	PP-10 _____
PP-5 _____	PP-11 _____
PP-6 _____	PP-12 _____

Subscribed and sworn to before me
this _____ day of _____ A.D.,
20____
Notary Public, _____ County
State of _____

Petitioner's Signature:

Print Name

Notary Public

Date

SEAL

**RAILBIRD EXCHANGE, LLC
FORM 10-5
RESPONDENT'S ANSWER**

_____ 20, _____

**To the Corporate Secretary and Chief Regulatory Officer of
Railbird Exchange**

**IN THE MATTER OF CLAIM
OR GRIEVANCE OF**

_____ (Petitioner)

vs.

_____ (Respondent)

The above Respondent hereby submitting to the jurisdiction of said Board of Arbitration, and hereby voluntarily submitting the Claim or Grievance referred to in said Complaint and in the Answer to the arbitrament of said Panel for Answer to the Complaint says:

(The Answer shall then set forth in plain language the substance and particulars of the Respondent's Answer.)

(Describe in detail the circumstances surrounding the transactions(s) in question; e.g., date, commodity month, price, quantity, time, parties involved, etc. You may attach photocopies of pertinent documents such as floor orders, account statements, trading cards, time and sales, and sworn statements of witness).

*(If you need more space to explain your claim,
please attach additional paper.)*

RESPONDENT'S ANSWER

Page 2 of 2

In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as floor orders, account statements, time and sales, trading cards, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

R-1 _____

R-7 _____

R-2 _____

R-8 _____

R-3 _____

R-9 _____

R-4 _____

R-10 _____

R-5 _____

R-11 _____

R-6 _____

R-12 _____

Subscribed and sworn to before me this _____ day
of _____ A.D., 20____
Notary Public, _____ County
State of _____

Petitioner's Signature:

Print Name

Notary Public

Date

SEAL

Form 10-5

STATEMENT OF COUNTERCLAIM

The computation of monetary loss is based on the following calculation:

In support of these allegations, I present as evidence the following documents: (i.e., statements of witnesses, pertinent documents such as floor orders, account statements, time and sales, trading cards, etc.). Copies of the evidentiary material should correspond with the heading you have assigned below.

CC-1 _____	CC-7 _____
CC-2 _____	CC-8 _____
CC-3 _____	CC-9 _____
CC-4 _____	CC-10 _____
CC-5 _____	CC-11 _____
CC-6 _____	CC-12 _____

Subscribed and sworn to before me this _____ day
of _____ A.D., 20____
Notary Public, _____ County
State of _____

Petitioner's Signature:

Print Name

Notary Public

Date

SEAL