



Exchange Rulebook

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE ONECHICAGO SYSTEM, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A CLEARING MEMBER, EXCHANGE MEMBER OR ACCESS PERSON AGREES (I) TO BE BOUND BY, AND COMPLY WITH, THE RULES OF THE EXCHANGE, THE RULES OF THE CLEARING CORPORATION AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, AND (II) TO BECOME SUBJECT TO THE JURISDICTION OF THE EXCHANGE WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH CLEARING MEMBER, EXCHANGE MEMBER OR ACCESS PERSON. SEE RULE 307(A) AND THE RELATED DEFINITIONS IN THIS RULEBOOK.

ANY PERSON INITIATING OR EXECUTING A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE DIRECTLY OR THROUGH AN INTERMEDIARY, AND ANY PERSON FOR WHOSE BENEFIT SUCH A TRANSACTION HAS BEEN INITIATED OR EXECUTED, EXPRESSLY CONSENTS TO THE JURISDICTION OF THE EXCHANGE AND AGREES TO BE BOUND BY AND COMPLY WITH THE RULES OF THE EXCHANGE IN RELATION TO SUCH TRANSACTIONS, INCLUDING, BUT NOT LIMITED TO, RULES REQUIRING COOPERATION AND PARTICIPATION IN INVESTIGATORY AND DISCIPLINARY PROCESSES.

Revision Date: April 3, 2018

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CHAPTER 1 DEFINITIONS

Scope of Definitions

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

101. Access Person

The term “Access Person” means any Person, other than a Clearing Member or Exchange Member, or Related Party of either, who has been given access to the OneChicago System through a OneChicago Workstation by a Clearing Member.

102. Access Privileges

The term “Access Privileges” means the right to access, and enter orders into, the OneChicago System.

103. Affiliate

An “Affiliate” of, or a Person “Affiliated” with, another Person is a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

104. Applicable Law

The term “Applicable Law” includes, but is not limited to, the CEA, Commission Regulations, the Exchange Act, Exchange Act Regulations and margin rules adopted by the Board of Governors of the Federal Reserve System, all as amended from time to time.

105. Average Price System

The term “Average Price System” means any system used by a Clearing Member, Exchange Member or Access Person that is a registered futures commission merchant to calculate and confirm to its Customers an average price for any Contract when multiple execution prices are received on any Order or series of Orders for such Contract.

106. Bankruptcy Code

The term “Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time.

107. Block Trade

The term “Block Trade” has the meaning set forth in Rule 417(a).

108. Board

The term “Board” means the board of directors of the Exchange constituted as described in Chapter 2.

109. [Reserved]

110. Business Day

The term “Business Day” has the meaning set forth in Rule 402.

111. CBOE

The term “CBOE” means the Chicago Board Options Exchange, Incorporated, a Delaware corporation, (including its successors).

112. CBOE Subsidiary

The term “CBOE Subsidiary” means CBOE, LLC, a Delaware limited liability company and wholly owned subsidiary of the CBOE (including its successors).

113. CBoT

The term “CBoT” means the Board of Trade of the City of Chicago, Inc., a Delaware corporation (including its successors).

114. CEA

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

115. Chief Executive Officer

The term “Chief Executive Officer” means the individual appointed by the Board from time to time as the chief executive officer of the Exchange, with the duties and responsibilities described in Rule 208(d).

116. Chief Financial Officer

The term “Chief Financial Officer” means the individual appointed by the Board from time to time as the chief financial officer of the Exchange, with the duties and responsibilities described in Rule 208(e).

116A. Chief Regulatory Officer

The term “Chief Regulatory Officer” means the individual appointed by the Exchange to oversee compliance matters and for managing the day-to-day regulatory functions of the Exchange and shall report jointly to the Regulatory Oversight Committee for all regulatory, compliance, supervisory, and surveillance matters and the Chief Executive Officer for all others matters that are not related to regulation and supervision.

117. Clearing Corporation

The term “Clearing Corporation” means The Options Clearing Corporation, a Delaware corporation (including its successors), or such other clearing organization or organizations as the Exchange may designate in the future to provide clearing services with respect to any or all of its Contracts. To the extent that the Exchange designates multiple clearing organizations to provide clearing services at any given time, the term “Clearing Corporation” shall refer to the clearing organization or organizations designated to provide such services with respect to the Contract or Clearing Member in question.

118. Clearing Member

The term “Clearing Member” means each Person from time to time found eligible and authorized, either individually or as part of a group or category, by the Board to clear trades in any or all Contracts.

Interpretation of Exchange Rule 118

The Board has adopted an interpretation of this Rule so that, for the sake of clarity, eligibility as a Clearing Member includes any security futures eligible member of The Options Clearing Corporation. *Board of Directors’ Resolution, April 12, 2016.*

119. CME

The term “CME” means Chicago Mercantile Exchange Inc., a Delaware corporation (including its successors).

120. Commission

The term “Commission” means the Commodity Futures Trading Commission, and includes any successor agency or authority.

121. Commission Regulation

The term “Commission Regulation” means any rule, regulation, order, directive and any interpretation thereof adopted from time to time by the Commission.

122. Contract

The term “Contract” means any Future.

123. Control

The term “Control” means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person. Any Person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of a corporation, or more than 25% of the voting power in the election of directors of any other corporation which directly or through one or more Affiliates owns beneficially more than 25% of the voting power in the election of directors of such corporation, shall be presumed to control such corporation. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

124. Customer

The term “Customer” means any Person for whom a Clearing Member or, if applicable, Exchange Member or Access Person carries an account (other than such Clearing Member, Exchange Member or Access Person or any of its Affiliates) or from whom a Clearing Member or, if applicable, Exchange Member or Access Person, solicits or accepts an Order.

125. Delaware LLC Act

The term “Delaware LLC Act” means the Delaware Limited Liability Company Act, as amended from time to time.

125A. Department

The term “Department” has the meaning set forth in Chapter 7 *Introduction*.

126. Director

The term “Director” means each limited liability company manager, as such term is defined in §18-101(10) of the Delaware LLC Act, who is designated as described in Rule 207 to serve on the Board.

127. Disciplinary Panel

The Disciplinary Panel shall consist of three individuals selected by the Chief Regulatory Officer from the Public Directors on the Exchange’s Board and/or members of the public, all of which would qualify as a Public Director at OneChicago.

128. Emergency

The term “Emergency” means any occurrence or circumstance, which requires immediate action and threatens or may threaten the fair and orderly trading in, or the liquidation of or delivery pursuant to, any Contract. An Emergency may include, without limitation, any of the following:

- (a) Any manipulative activity or attempted manipulative activity;
- (b) Any actual, attempted or threatened corner, squeeze, congestion or undue concentration of positions;
- (c) Any circumstance which may materially adversely affect the performance of Contracts, including any failure of the payment system;
- (d) Any action taken by the federal or any foreign government, any other governmental body or any other exchange or trading facility (foreign or domestic), in each case which may have a direct adverse effect on trading on the Exchange;
- (e) Any circumstance which may have a severe, adverse effect upon the physical functions of the Exchange, including fire or other casualty, bomb threats, substantial inclement weather, power failures, communications breakdowns, computer system breakdowns, malfunctions of plumbing, heating, ventilation and air conditioning systems and transportation breakdowns;
- (f) The bankruptcy or insolvency of any Clearing Member or the imposition of any injunction or other restraint by any government agency, court or arbitrator upon a Clearing Member which may affect the ability of such Clearing Member to perform on its Contracts;
- (g) Any circumstance in which it appears that a Clearing Member or any other Person has failed to perform its Contracts, is insolvent, or is in such financial or operational condition or is conducting business in such a manner that such Person cannot be permitted to continue in business without jeopardizing the safety of Customer funds, other Clearing Members, the Exchange or the Clearing Corporation; and
- (h) Any other unusual, unforeseeable and adverse circumstance with respect to which it is impracticable for the Exchange to submit in a timely fashion a reviewable rule to the Commission.

129. Exchange

The term “Exchange” means OneChicago, LLC, a Delaware limited liability company (including its successors), and when used with reference to the administration of any Rule of the Exchange means either the Board or the officer,

employee, agent, committee or delegee to whom appropriate authority to administer such provision has been delegated.

130. Exchange Act

The term “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

131. Exchange Act Regulation

The term “Exchange Act Regulation” means any rule, regulation, order, directive and any interpretation thereof adopted from time to time by the Securities and Exchange Commission, including any successor agency or authority.

132. Exchange Member

The term “Exchange Member” means any Person with member trading privileges on the CME, the CBOE or the CBoT, provided, however, that such trading privileges, trading rights or permits, and membership rights shall be those that are in effect for each of the foregoing entities as of March 15, 2006 and if such trading privileges, trading rights or permits, and membership rights are materially expanded or changed so as to result in a material increase in the number of Exchange Members, such expanded or changed membership category shall no longer confer automatic membership in the Exchange, unless the Board shall otherwise agree. The term “Member” in this context shall not be construed to have the meaning set forth in §18-101(11) of the Delaware LLC Act, and no ownership interest in the Exchange shall be conferred on any person by virtue of that person’s status as an Exchange Member. The default by any Owner of the default provisions, unless otherwise determined by the Board, shall cause the Exchange Members whose membership in the Exchange is derived solely from a relationship with such defaulting Owner (whether directly or through its Affiliate exchange) to cease to be Exchange Members.

133. Exchange of Future for Physical

The term “Exchange of Future for Physical” means any transaction entered into in accordance with the Rules of the Exchange, a component of which is not executed on the Exchange and a component or all of which involves a Future.

134. Ex Parte Communication

The term “Ex Parte Communication” means any oral or written communication made without notice to all parties. A written communication is an Ex Parte Communication unless a copy thereof has been delivered to all interested parties. An oral communication is an Ex Parte Communication unless it is made in the presence of all interested parties other than those who, after receiving adequate prior notice, declined to be present.

135. Expiration Date

The term “Expiration Date” means, with respect to any Contract, the day and time set forth in the Rules of the Exchange governing such Contract for the termination or expiration of such Contract.

136. Expiration Month

The term “Expiration Month” means, with respect to any Contract, the month and year set forth in the Rules of the Exchange governing such Contract for the termination or expiration of such Contract.

137. Future

The term “Future” means any contract for the purchase or sale of any commodity for future delivery from time to time traded on or subject to the Rules of the Exchange.

138. General Counsel

The term “General Counsel” means the individual appointed by the Exchange from time to time as its general counsel, with the duties and responsibilities set forth in Chapter 7 and such additional duties and responsibilities as may otherwise be prescribed by the Exchange from time to time.

139. IBG

The term “IBG” means Interactive Brokers Group LLC.

140. Majority in Interest of the Owners

The term “Majority in Interest of the Owners” means the affirmative vote of at least sixty-five percent (65%) of the shares entitled to vote on matters held solely by the Owners entitled to vote. Pursuant to 207(j) of the Rule of the Exchange, any action of the Owners shall require the consent of a Majority in Interest of the Owners, unless otherwise stated in the Exchange Rules or unless a different number of votes are required by applicable law.

141. Market Improver

The term “Market Improver” means any Clearing Member, Exchange Member or Access Person that first enters an Order or quote at a price that is better than the best price previously available, provided such Order or quote is continuously exposed to the market until it is executed. There may be a Market Improver for each price at which a particular Contract trades on any trading day.

142. NFA

The term “NFA” means the National Futures Association, and includes any successor organization fulfilling similar functions under the CEA.

143. OneChicago System

The term “OneChicago System” means the electronic systems administered by or on behalf of the Exchange which perform the functions set out in the Rules of the Exchange, including controlling and recording trading through OneChicago Workstations.

144. OneChicago Workstation

The term “OneChicago Workstation” means any computer connected to the OneChicago System, whether directly (through a proprietary network, the internet or otherwise) or indirectly through systems operated by a Clearing Member, in each case for the purpose of trading Contracts.

145. Order

The term “Order” means any Market Order, Limit Order, Cancel Order, Cancel Replace Order, Day Order, Good ‘til Canceled Order, Spread Order or Contingency Order (including any All or None Order, Fill or Kill Order, Immediate or Cancel Order, Stop Order or Stop Limit Order), all having the respective meanings set forth in Rule 404, as well as any other types of Orders that may be approved by the Exchange from time to time.

146. Owner

The term “Owner” means each “member” (within the meaning of the Delaware LLC Act) from time to time of the Exchange.

147. Owner-Appointed Director

The term “Owner-Appointed Director” has the meaning set forth in Rule 207(b).

148. Passwords

The term “Passwords” has the meaning set forth in Rule 513(b).

149. Percentage Interest

The term “Percentage Interest” means, with respect to any Owner and at any time, a fraction (expressed as a percentage), the numerator of which is the number of all ownership units of the Exchange held by such Owner and the denominator of which is the sum of all ownership units of the Exchange held by all Owners at such time.

150. Person

The term “Person” means any natural person, association, partnership, limited liability company, joint venture, trust or corporation.

151. Public Director

The term “Public Director” means a Person with the qualifications set forth in Rule 207 (n).

152. Related Party

The term “Related Party” means, with respect to any Clearing Member or Exchange Member, any partner, director, officer, branch manager or employee of such Clearing Member or Exchange Member (or any Person occupying a similar status or performing similar functions) or any Person directly or indirectly Controlling, Controlled by, or under common Control with, such Clearing Member or Exchange Member.

153. Responsible Administrator

The term “Responsible Administrator” has the meaning set forth in Rule 513(a).

154. Rule of the Clearing Corporation

The term “Rule of the Clearing Corporation” means the Certificate of Incorporation, the By-laws and any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by the Clearing Corporation relating to the Exchange or any or all of the Contracts.

155. Rule of the Exchange

The term “Rule of the Exchange” means the rules of the Exchange and any interpretation, stated policy or instrument corresponding thereto, in each case as adopted or amended from time to time by the Exchange.

156. Single Stock Futures

The term “Single Stock Futures” has the meaning set forth in Rule 901.

157. Specifications Supplement

The term “Specifications Supplement” has the meaning set forth in Rule 902.

158. Stock Index Future

The term “Stock Index Future” has the meaning set forth in Rule 1001.

159. Subject

The term “Subject” has the meaning set forth in Rule 705(b).

160. Trading Hours

The term “Trading Hours” has the meaning set forth in Rule 402.

161. Voting Interest

The term “Voting Interest” means the number of shares entitled to vote on matters submitted to the Owners, which voting shares are held by Owners entitled to vote.

CHAPTER 2 GOVERNANCE OF THE EXCHANGE

General

201. Name

The name of the Exchange shall be “OneChicago, LLC.” The name of the Exchange may be changed as the Board may determine to be appropriate.

202. Principal Place of Business

The Exchange shall have its principal place of business at such location in Chicago, Illinois as the Board may from time to time determine.

203. Purpose and Scope of the Exchange

The sole purpose of the Exchange shall be to develop, list for trading, market, regulate, clear and settle transactions in Single Stock Futures and Stock Index Futures. The Board may further authorize the Exchange to develop, list for trading, market, regulate, clear and settle transactions in other products with substantially the same characteristics as Single Stock Futures and Stock Index Futures if such products are legally authorized to be listed for trading under the same regulatory structure as applies to Single Stock Futures and Stock Index Futures. “Substantially the same characteristics”, as used in the foregoing sentence, means products that are standardized contracts for future delivery of (i) a certain number of shares (or the cash value thereof) of an equity-based instrument or (ii) the cash value or a basket of securities representing a narrow-based index of such instruments.

204. Effectiveness of Rules

Unless otherwise specified by the Board, all Rules of the Exchange and amendments thereto from time to time adopted by the Board shall become effective on such date (after any required filing with, or approval thereof by, the Commission) as may be determined by the Exchange.

Board Committees and Officers

205. Authorization

The Board and its committees, as well as the committees and officers of the Exchange, shall be established, appointed or elected as described in this Chapter 2, and shall have the rights, duties and responsibilities set forth herein. Notwithstanding anything in these Rules to the contrary, the Board shall have the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions of its committees and of the committees and officers of the Exchange except for any action of the Regulatory Oversight Committee that is not directly related to the Exchange’s budget.*

206. Eligibility

No Person may serve as a member or alternate of the Board, the Regulatory Oversight Committee, the Arbitration Committee the Disciplinary Panel or any other such “disciplinary committee”, “arbitration panel” or “oversight panel” (all as defined in Commission Regulation § 1.63) of the Exchange if, in the last three years before the date of determination, such Person was found to have committed any “disciplinary offense” (as defined in Commission Regulation § 1.63), was suspended from trading, had a registration revoked or was suspended from serving on a governing board under federal laws.*

207. Directors

(a) *General Powers.* The business and affairs of the Exchange shall be managed by or under the direction of the Board, with all rights and powers generally conferred by law or necessary, advisable or consistent in connection therewith. The Board may do all such lawful acts and things as are not by the Delaware LLC Act, directed or required to be exercised or performed by the Owners. Meetings of the Board may be conducted by the Chief Executive Officer or President of the Exchange or as the Board otherwise determines. At its discretion, the Board may appoint by majority vote a Director to serve as Chairman of the Board.

(b) *Designation of Directors; Alternates* The Board shall be composed of eight Directors, which shall be elected or appointed as follows:

- (i) The CBOE Subsidiary shall appoint one Director;
- (ii) The CME shall appoint two Directors;
- (iii) IBG shall appoint two Directors, and
- (iv) The Board shall appoint three Public Directors as set forth in Section (n), below.
- (v) The number and or designation of Directors shall be deemed to conform to any change to the definition of “Public Director” set forth in Core Principle 16 of Section 5(d) of the CEA or any CFTC Regulation.

Each Director, except for the Public Directors, may at any time appoint an alternate to act in their stead, upon notification to the entire board and the Secretary. An alternate Director while acting as Director is vested with all the rights and obligations of the Director for whom the alternate is substituting as provided by law, the Operating Agreement and these Rules provided that the alternate Director may not further designate an alternate.

(c) *Number, Tenure, and Qualifications; Allocation of Directorships.* Each Owner Appointed Director shall serve until his or her death, resignation or removal, whichever occurs first, in a manner permitted by Applicable Law. If the Voting Interest of any Owner entitled to vote with Owner Appointed Directors under paragraph (b) either falls below four percent, or increases or decreases by five percentage points or more (taken as absolute points rather than a relative degree of increase or decrease) measured against the Voting Interest held by such Owner entitled to vote, or if a new Owner is admitted and has voting ownership of 5% or greater, the Voting Owners shall negotiate in good faith as to a re-allocation of Owner Appointed Directors, with the following guiding principles:

(i) The allocation should be roughly proportionate, taking into account the possibilities for alignment of interest across Owners entitled to vote.

(ii) The allocation should preserve representation for each initial Owner and IBG if any of them hold a Voting Interest of at least four percent.

If the Owners entitled to vote which hold a Voting Interest of at least four percent cannot agree upon an allocation of Owner Appointed Directors to apply following the relevant change in Voting Interest, paragraph (a) above shall be amended automatically to provide that each Owner entitled to vote which holds a Voting Interest of at least four percent shall appoint one Director, and paragraph (j) below shall be amended automatically to provide that Board actions shall be by weighted votes, with each Director appointed by an Owner entitled to vote holding votes in proportion to such Owner's Voting Interest.

(d) *Vacancies.* A vacancy created because of the death, disability, resignation or removal of a Director appointed by any Owner entitled to vote pursuant to paragraph (b) above shall be filled by the Owner entitled to appoint such Director.

(e) *Regular Meetings.* A regular meeting of the Board shall be held immediately following the close of, and at the same place as, any special meeting of the Owners. No notice of any such meeting, other than this paragraph (e), shall be necessary in order legally to constitute any such meeting, provided a quorum is present. The Board may provide, by resolution, the time and place for the holding of additional regular meetings without notice other than such resolution.

(f) *Action by Consent.* Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if the Directors unanimously consent thereto in writing, including by electronic mail or facsimile, and the writing or writings are filed with the minutes of the proceedings of the Board.

(g) *Special Meetings.* Special meetings of the Board may be called by the Chairman, President or any three Directors. The person or persons calling a special

meeting of the Board shall fix the time and place at which such meeting shall be held, and such time and place shall be specified in the notice of such meeting.

(h) *Notice.* Notice of any special meeting of the Board shall be given at least five (5) days previous thereto by written notice to each Director at his or her business address or such other address as he or she may have advised the secretary of the Exchange to use for such purpose. If hand delivered, such notice shall be deemed to be given when delivered to such address or to the person to be notified. If mailed, such notice shall be deemed to be given two business days after deposit in the United States mail so addressed, with postage thereon prepaid. Such notice may also be given by telephone or other means not specified herein (including electronic mail), and in each such case shall be deemed to be given when actually received by the Director to be notified. Notice of any meeting of the Board shall set forth the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board (regular or special) need be specified in the notice or waiver of notice of such meeting.

(i) *Waiver of Notice.* A written waiver of notice, signed by a Director entitled to notice of a meeting of the Board or of a committee of such Board of which the Director is a member, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice to that Director. Attendance of a Director at a meeting of the Board or of a committee of such Board of which the Director is a member shall constitute a waiver of notice of such meeting except when the Director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(j) *Quorum and Vote Required for Action.* At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board except as may be otherwise provided in this Chapter 2 or the Delaware LLC Act. If a quorum is not present at any meeting of the Board, a majority of the Directors present at such meeting may adjourn such meeting from time to time, without notice other than announcement at such meeting, until a quorum is present. In the event that there is a tie vote, after all of the Directors eligible to vote have voted, on any matter requiring a majority vote of the Board for approval, the highest-ranking executive officer of the Exchange may vote on the matter in order to break the tie.

(k) *Attendance by Conference Telephone.* Directors or members of any committee designated by the Board may participate in a meeting of the Board or such committee by means of conference telephone, or any similar means of communication through which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at that meeting.

(l) *Resignation and Removal.* A Director may resign at any time by giving written notice to the Chairman or President. A Director may be removed for cause by the act of a Majority in Interest of the Owners at a meeting of the Owners called expressly for the purpose of removing such Director. For these purposes, “for cause”

shall mean that (i) the Director has (A) committed a willful serious act, such as fraud, embezzlement or theft, (B) committed or attempted any act against the Exchange intending to enrich himself or herself at the expense of the Exchange or (C) made an unauthorized use or disclosure of confidential information pertaining to the business of the Exchange, (ii) the Director has been convicted of a felony or commits an act constituting a felony, (iii) the Director has engaged in conduct which has caused serious injury, monetary or otherwise, to the Exchange, or (iv) the Director, in carrying out his or her duties, has been guilty of negligence or willful misconduct. A Director may be removed at any time by the Owner that appointed such Director, effective immediately upon providing written notification to the other Owners and to the remaining Directors.

(m) *Committees.* The Board may designate by resolution one or more committees, which shall be comprised of individuals appointed by the Board and may at the Board's discretion include non-Board members. Any such committee, to the extent provided in the resolution, shall have the authority and power to exercise the functions delegated to it by the Board, which delegation may be revoked by the Board at any time and in its discretion. The Board may designate one or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of such committee. In the absence or in the case of disqualification of any member of such committee or committees, the member or members thereof present at the meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another person to act at such meeting in the place of such absent or disqualified member. Notwithstanding the above, the Board shall designate a Compensation Committee empowered to make decisions regarding the compensation and benefits programs for the Exchange and to determine the annual compensation for the Exchange's Officers, subject to approval of the Board. Such Compensation Committee shall be comprised of one Director from each of IBG, CME and CBOE. The provisions of this Subsection (m) shall not apply to the Regulatory Oversight Committee.

(n) *Public Director.*

(i) To qualify as a Public Director, a Person must be found, by action of the Board, on the record, to have no relationship with the Exchange that reasonably could affect the independent judgment or decision making of the Person as a Public Director.

(ii) A Person shall not be considered a "Public Director" if any of the following circumstances exist:

(A) Within the last year the Person is an officer or employee of the Exchange or an officer or employee of its affiliate. In this context, "affiliate" includes parents or subsidiaries of the Exchange or entities that share a common parent with the Exchange;

(B) Within the last year, the Person is a Member of the Exchange, or an officer or director of a member as defined in Rules 118 and 132;

(C) Within the last year, the Person, or a firm with which the Person is an officer, director, or partner, receives more than \$100,000 in combined annual payments from the Exchange, or any Affiliate of Exchange for legal, accounting, or consulting services. Compensation for services as a director of the Exchange or as a director of an Affiliate of the Exchange does not count toward the \$100,000 payment limit, nor does deferred compensation for services prior to becoming a director, so long as such compensation is in no way contingent, conditioned, or revocable. In this context a person is "affiliated" with the vendor or Affiliate if their impartiality could be called into question in matters concerning the vendor or Affiliate.

(D) Any of the relationships above apply to a member of the director's "immediate family," i.e., spouse, parents, children and siblings.

(iii) OneChicago's Public Directors may also serve as directors of OneChicago's Affiliates if they otherwise meet the definition of Public Director in these Rules.

(iv) OneChicago shall disclose to the CFTC which members of its Board are Public Directors, and the basis for those determinations.

(v) This Rule shall be deemed to be modified to conform to any change to the definition of "Public Director" set forth in Core Principle 16 of Section 5(d) of the CEA or any CFTC Regulation.

(o) *Regulatory Oversight Committee.*

(i) The Regulatory Oversight Committee (ROC) of the Board shall consist only of Public Directors. Each member of the ROC shall serve for a term of two years from their appointment date or for the remainder of the Public Director's term to which they were appointed and until their earlier resignation or removal (as a member of the ROC or the Board) for cause. The ROC shall oversee the Exchange's regulatory program on behalf of the Board and shall assist it in minimizing actual and potential conflicts of interest. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the ROC to fulfill its mandate.

(ii) The ROC shall have the authority to:

(A) Monitor the Exchange's regulatory program for sufficiency, effectiveness, and independence;

(B) Oversee all facets of the program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to member firms (including ensuring compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;

(C) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;

(D) Supervise the Chief Regulatory Officer, who will report jointly to the ROC for all regulatory, compliance, supervisory, and surveillance matters and to the Chief Executive Officer for all others matters that are not related to regulation and supervision;

(E) Prepare an annual report assessing the Exchange's self-regulatory program for the Board and the CFTC, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;

(F) Recommend changes that would ensure fair, vigorous, and effective regulation; and

(G) Review regulatory proposals and advise the Board as to whether and how such changes may impact regulation and

(H) Exercise any other functions expressly assigned to it in these Rules.

(iii) Quorum and Vote Required for Action. At all meetings of the ROC, a majority of the ROC members shall constitute a quorum for the transaction of business and the act of a majority of the ROC present at any meeting at which there is a quorum shall be the act of the ROC. If a quorum is not present at any meeting of the ROC, a majority of the ROC members present at such meeting may adjourn such meeting from time to time, without notice other than announcement at such meeting, until a quorum is present. In the event that there is a tie vote, after all of the ROC members eligible to vote have voted, on any matter requiring a majority vote of the ROC for approval, a Director (other than a Public Director) representing the Owner with the largest Voting Interest may vote on the matter in order to break the tie.

(iv) This Rule shall be deemed to be modified to conform to any change to the definition of "Regulatory Oversight Committee" set

forth in Core Principle 16 of Section 5(d) of the CEA or any CFTC Regulation.

208. Officers

(a) *Designation; Number; Election.* The Board shall designate the officers of the Exchange. Such officers of the Exchange shall include a President (who shall be the chief executive officer of the Exchange), and may include a Chief Financial Officer or similar title who shall also serve as the treasurer of the Exchange, and such other officers as the Board may choose. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Any two or more offices may be held by the same person. Except as provided by contract with the Exchange, election or appointment as an officer shall not of itself create contract rights.

(b) *Salaries.* The salaries of all officers and agents of the Exchange selected by the Board shall be approved by the Board, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Exchange.

(c) *Term of Office; Removal.* Each officer of the Exchange selected by the Board shall hold office until the next annual appointment of officers by the Board and until his or her successor is appointed and qualified, or until his or her death, resignation or removal, whichever occurs first, in the manner hereinafter provided. Any officer or agent selected by the Board may be removed at any time by the Board whenever in its judgment the best interests of the Exchange would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Exchange at any time or any new offices may be filled by the Board for the unexpired portion of the term.

(d) *Chief Executive Officer.* The President or senior executive of the Exchange designated by the Board shall be in charge of the business of the Exchange, subject to the direction and control of the Board. In general, the President shall discharge all duties incident to the principal executive office of the Exchange and such other duties as may be prescribed by the Board from time to time. Without limiting the generality of the foregoing, the President shall see that the resolutions and directions of the Board are carried into effect except in those instances in which that responsibility is specifically assigned to another person by the Board and, except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Exchange or a different mode of execution is expressly prescribed by the Board, may execute for the Exchange certificates evidencing duly authorized shares of the Exchange, any contracts, deeds, mortgages, bonds, or other instruments which the Board has authorized, and may (without previous authorization by the Board) execute such contracts and other instruments as the conduct of the Exchange's business in its ordinary course requires, and may accomplish such execution in each case either under or without the seal of the Exchange and either individually or with any other officer authorized by the Board,

according to the requirements of the form of the instrument. The President may vote all securities which the Exchange is entitled to vote except as and to the extent that such authority is vested in a different officer or agent of the Exchange by the Board.

(e) *Chief Financial Officer and Treasurer.* The Chief Financial Officer (or other similar title) shall be the principal accounting and financial officer of the Exchange and as such shall perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the Board or the Chief Executive Officer. Without limiting the generality of the foregoing, the treasurer of the Exchange shall have charge of and be responsible for the maintenance of adequate books of account for the Exchange and shall have charge and custody of all funds and securities of the Exchange and be responsible therefore and for the receipt and disbursement thereof. If required by the Board, the treasurer of the Exchange shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board may determine.

(f) The “Chief Regulatory Officer” means the individual appointed by the Exchange to oversee compliance matters and for managing the day-to-day regulatory functions of the Exchange. Such person must (i) satisfy the applicable eligibility requirements of Rule 206, (ii) should be knowledgeable about futures trading and futures market operations as well as Applicable Law, and (iii) who will report jointly to the ROC for all regulatory, compliance, supervisory, and surveillance matters and to the Chief Executive Officer for all others matters that are not related to regulation and supervision.

209. Indemnification; Fiduciary Duties

(a) *Indemnification of Directors and Officers.* The Exchange shall, to the full extent to which it is empowered to do so by the Delaware LLC Act and any other Applicable Law, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a Director or officer of the Exchange, or is or was serving at the request of the Exchange as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. In furtherance of the foregoing, the indemnification provisions contained in §18-108 of the Delaware LLC Act, shall be deemed to be extended to the officers of the Exchange.

(b) *Indemnification of Employees and Agents.* Persons who are not covered by paragraph (a) above and who are or were employees or agents of the Exchange, or are or were serving at the request of the Exchange as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized from time to time by the Board.

(c) *Other Rights of Indemnification.* The indemnification provided or permitted by this Rule 209 shall not be deemed exclusive of any other rights to which

those indemnified may be entitled by law or otherwise, and shall continue as to any person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

(d) *Fiduciary Duties of Directors and Officers.* In accordance with in §18-1101(c) of the Delaware LLC Act, to the extent that, at law or in equity, an Owner, Director, officer or other person having duties (including fiduciary duties) and liabilities relating thereto to the Exchange or to any other Owner, Director, officer or other person that is a party to or otherwise bound by this Chapter, such Owner, Director, officer or other person acting pursuant to this Chapter shall not be liable to the Exchange or to such other Owner, Director, officer or other person for such Owner's, Director's, officer's or other person's good faith reliance on the provisions of this Chapter. The Directors and officers of the Exchange, in carrying out their managerial roles described in this Chapter, shall be charged with the same fiduciary duties of care, loyalty and good faith as are incumbent upon corporate directors and officers under the Delaware General Corporation Law, as amended from time to time.

Confidentiality and Conflicts of Interest

210. Confidentiality and Employee Restrictions

(a) No member of the Board or any committee established by the Board or the Rules of the Exchange shall use or disclose any material non-public information, obtained in connection with such member's participation in the Board or such committee, for any purpose other than the performance of his or her official duties as a member of the Board or such committee. At any time, if requested by the Board acting in good faith and in the best interests of the Exchange, an Owner shall surrender to the Exchange any confidential information, and all records, files and other documents provided to the Owner by the Exchange (including all copies thereof) relating to confidential information.

(b) No member of the Board or any committee established by the Board or the Rules of the Exchange, officer, employee or agent of the Exchange shall (i) trade for such person's own account, or for or on behalf of any other account in any commodity interest or security if such member of the Board or any committee established by the Board or the Rules of the Exchange, officer, employee or agent has access to material non-public information concerning such commodity interest or security or (ii) disclose to any other Person material non-public information obtained in connection with such member's of the Board or any committee established by the Board or the Rules of the Exchange, employee's, officer's or agent's official duties, if such member of the Board or any committee established by the Board or the Rules of the Exchange, employee, officer or agent could reasonably expect that such information may assist another Person in trading any commodity interest or security.

(c) No Exchange employee shall accept directly or indirectly any gift, gratuity, compensation or any other form of remuneration valued at an amount greater than \$100 annually from any Exchange Member or any Related Party of an Exchange Member without the approval of the Chief Executive Officer.

(d) For purposes of this Rule 210, the terms “commodity interest,” “employee,” “material information,” “non-public information” and “related commodity interest” shall have the meanings ascribed to them in Commission Regulation § 1.59, and the term “security” shall have the meaning ascribed to it in Section 3(a)(10) of the Exchange Act.

211. Conflicts of Interest

(a) Named Party in Interest Conflict.

(i) *Prohibition.* No member of the Board, the Business Conduct Committee, Probable Cause Committee or any other “disciplinary committee” or “oversight panel” (both as defined in Commission Regulation § 1.69) of the Exchange shall knowingly participate in such body’s deliberations or voting in 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) has any other significant, ongoing business relationship with a named party in interest, excluding relationships limited to executing Futures transactions opposite each other or to clearing Futures transactions through the same Clearing Members or (D) has a family relationship with a named party in interest. For purposes of this clause (i), a “family relationship” exists between a named party in interest and a member if such party is the member’s spouse, former spouse, parent, stepparent, child, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.

(ii) *Disclosure.* Prior to consideration of any matter involving a named party in interest, each member of the deliberating body who does not choose to abstain from deliberations and voting shall disclose to the Chief Executive Officer, or his or her designee, whether such member has one of the relationships listed in clause (i) above with a named party in interest.

(iii) *Procedure and Determination.* The Chief Executive Officer, or his or her designee, shall determine whether any member of the relevant deliberating body who does not choose to abstain from deliberations and voting is subject to a conflicts restriction under this paragraph (a). Such determination shall be based upon a review of the following information:

(A) information provided by such member pursuant to clause (ii) above; and

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

(b) *Financial Interest in a Significant Action Conflict.*

(i) *Prohibition.* No member of the Board, the Business Conduct Committee or any other “disciplinary committee” or “oversight panel” (both as defined in Commission Regulation § 1.69) of the Exchange shall participate in such body’s deliberations and voting on any significant action if such member knowingly has a direct and substantial financial interest in the result of the vote based upon either Exchange or non-Exchange positions that could reasonably be expected to be affected by the significant action under consideration, as determined pursuant to clause (iii) below. For purposes of this clause (i), the term “significant action” means (A) any action or rule change that addresses a specific Emergency or (B) any change in margin level that are designed to respond to extraordinary market conditions or that otherwise are likely to have a substantial effect on prices in any Contract.

(ii) *Disclosure.* Prior to consideration of any significant action, each member of the deliberating body who does not choose to abstain from deliberations and voting shall disclose to the Chief Executive Officer, or his or her designee, position information that is known to such member with respect to any particular month or months that are under consideration, and any other positions which the deliberating body reasonably expects could be affected by the significant action, as follows:

(A) gross positions held at the Exchange in such member’s personal accounts or “controlled accounts,” as defined in Commission Regulation § 1.3(j);

(B) gross positions held at the Exchange in proprietary accounts, as defined in Commission Regulation § 1.17(b)(3), at such member’s affiliated firm;

(C) gross positions held at the Exchange in accounts in which such member is a principal, as defined in Commission Regulation § 3.1(a);

(D) net positions held at the Exchange in Customer accounts, as defined in Commission Regulation § 1.17(b)(2), at such member’s affiliated firm; and

(E) any other types of positions, whether maintained at the Exchange or elsewhere, held in such member’s personal accounts or the proprietary accounts of such member’s affiliated firm, that the Exchange reasonably expects could be affected by the significant action.

(iii) *Procedure and Determination.* The Chief Executive Officer, or his or her designee, shall determine whether any member of the relevant deliberating body who does not choose to abstain from deliberations and voting is subject to a conflicts restriction under this paragraph (b). Such determination shall be based upon a review of the following information:

(A) the most recent large trader reports and clearing records available to the Exchange;

(B) information provided by such member pursuant to clause (ii) above; and

(C) any other source of information that is held by and reasonably available to the Exchange taking into consideration the exigency of the significant action being contemplated.

Unless the deliberating body establishes a lower position level, a member thereof shall be subject to the prohibition set forth in clause (i) above if the review by the Chief Executive Officer, or his or her designee, identifies a position in such member's personal or controlled accounts or accounts in which such member is a principal as specified in subclauses (ii)(A), (C) and (E), in excess of an aggregate number of 10 lots of Futures or a position in the accounts of such member's affiliated firm as specified in subclauses (ii)(B), (D) and (E), in excess of an aggregate number of 100 lots of Futures.

(iv) *Deliberation Exemption.* Any member of the Board, the Business Conduct Committee or any other "disciplinary committee" or "oversight panel" (both as defined in Commission Regulation § 1.69) of the Exchange who would otherwise be required to abstain from deliberations and voting pursuant to clause (i) above may participate in deliberations, but not voting, if the deliberating body, after considering the factors specified below, determines that such participation would be consistent with the public interest; *provided, however,* that before reaching any such determination, the deliberating body shall fully consider the position information specified in clause (ii) above which is the basis for such member's substantial financial interest in the significant action that is being contemplated. In making its determination, the deliberating body shall consider:

(A) whether such member's participation in the deliberations is necessary to achieve a quorum; and

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

(c) *Documentation.* The minutes of any meeting to which the conflicts determination procedures set forth in this Rule 211 apply shall reflect the following information:

(i) the names of all members of the relevant deliberating body who attended such meeting in person or who otherwise were present by electronic means;

(ii) the name of any member of the relevant deliberating body who voluntarily recused himself or herself or was required to abstain

from deliberations or voting on a matter and the reason for the recusal or abstention, if stated; and

- (iii) information on the position information that was reviewed for each member of the relevant deliberating body.

Books and Records

212. Books and Records

The Exchange shall keep adequate books of account of the Exchange on a cash or accrual basis to the extent permitted by the Internal Revenue Code, as amended from time to time, and in accordance with U.S. generally accepted accounting principles, as the Chief Financial Officer shall determine, wherein shall be recorded all contributions to the capital of the Exchange, and all income, distributions, expenses, and transactions of the Exchange. The Exchange also shall maintain as a part of the books and records of the Exchange a list of the names and addresses of the Owners. Each Owner's name and address may be changed by such Owner by written notice to the Exchange. The Exchange's books of account, along with the Exchange's federal, state, local and foreign income tax returns for each of the six preceding taxable years of the Exchange, shall be kept at the principal office of the Exchange.

Regulatory Cooperation

213. Regulatory Cooperation

The Exchange may from time to time enter into such agreements with domestic or foreign self-regulatory organizations, associations, boards of trade and their respective regulators providing for the exchange of information and other forms of mutual assistance for financial surveillance, routine audits, market surveillance, investigative, enforcement and other regulatory purposes as the Exchange may consider necessary or appropriate or as the Commission may require. The Chief Executive Officer, or his or her delegate, is authorized to provide information to any such organization, association, board of trade or regulator that is a party to an information sharing agreement with the Exchange, in accordance with the terms and subject to the conditions set forth in such agreement.

CHAPTER 3 MEMBERSHIP AND ACCESS PRIVILEGES

Classes of Interest

301. Owners

All equity interests in the Exchange shall be held solely by the Owners, and all voting rights related to such interests shall be exercised solely by the Owners as described in Chapter 2. The Owners shall have Access Privileges only pursuant to, and to the extent provided in, Rules 302, 303 and 304.

302. Clearing Members

(a) Each Clearing Member shall have Access Privileges with respect to its proprietary Orders and Customer Orders.

(b) Any Related Party authorized by a Clearing Member may enter Orders (with or without discretion) for a proprietary account of such Clearing Member. Any Related Party handling Customer Orders must be registered if and as required by Applicable Law.

(c) Clearing Members are responsible to establish, maintain and administer reasonable supervisory procedures to ensure that their Related Parties comply with Applicable Law, the Rules of the Exchange and the Rules of the Clearing Corporation.

303. Exchange Members

(a) Each Exchange Member shall have Access Privileges with respect to its personal or proprietary Orders and, if such Exchange Member is registered in any required capacity (if so required), Customer Orders.

(b) Any Related Parties authorized by an Exchange Member may enter Orders (with or without discretion) for a personal or proprietary account of such Exchange Member. Any Related Party handling Customer Orders, if applicable, must be registered if and as required by Applicable Law.

(c) Exchange Members are responsible to establish, maintain and administer reasonable supervisory procedures to ensure that their Related Parties comply with Applicable Law, the Rules of the Exchange and the Rules of the Clearing Corporation.

(d) Each Exchange Member that is not a Clearing Member must be guaranteed by a Clearing Member in such form as the Exchange may from time to time prescribe.

304. Access Persons

(a) Each Clearing Member may from time to time permit one or more of its Customers to act as Access Persons. Each Access Person shall have Access Privileges with respect to its personal or proprietary Orders and, if such Access Person is registered in any required capacity (if so required), Customer Orders.

(b) With respect to each Access Person, the relevant Clearing Member shall:

(i) guarantee and assume financial responsibility for all activity related to the OneChicago Workstation or OneChicago Workstations used by such Access Person and any account identifier and password assigned to such Access Person;

(ii) assist the Exchange in any investigation relating to an alleged violation of Applicable Law, Rules of the Exchange or Rules of the Clearing Corporation by such Access Person, which assistance shall be timely and shall include using reasonable efforts to require such Access Person to produce documents, answer questions by the Exchange or appear in connection with such investigation; and

(iii) on its own initiative or at the request of (and within the time frame specified by) the Exchange, suspend or terminate such Access Person's Access Privileges if such Clearing Member or the Exchange determines that any activity related to such Access Person's use of its OneChicago Workstation or OneChicago Workstations threatens the integrity or liquidity of any Contract or violates Applicable Law, Rules of the Exchange or Rules of the Clearing Corporation, or if such Access Person fails to cooperate in any investigation.

Dues, Assessments and Fees

305. Dues, Assessments and Fees

(a) The Exchange shall have the sole power to set the dates and amounts of any dues, assessments or fees to be levied on Clearing Members or Exchange Members, which dues, assessments or fees shall be paid to the Exchange when due.

(b) All Persons with member trading privileges on the CME, the CBOE and the CBoT shall be subject to the same fee structure, which may vary by Contract or be subject to differentiation on the basis of whether such Persons enjoy market maker status, Clearing Member status or any other similar designation; *provided* that no such designation may be based upon the identity of the Owner from which such Persons derive their Exchange Member status. The Board may modify the fee structure from time to time as it sees fit.

(c) If a Clearing Member or Exchange Member fails to pay when due any Exchange dues, assessments or fees levied on such Clearing Member or Exchange

Member and such payment obligation remains unsatisfied for six consecutive months after its due date, the Exchange may suspend, revoke, limit, condition, restrict or qualify the Access Privileges of such Clearing Member (including any or all of the Access Persons that such Clearing Member has permitted to act as such) or Exchange Member as it deems necessary or appropriate.

Access Privileges

306. Limitations of Access Privileges

The Exchange may at any time revoke, suspend, limit, condition, restrict or qualify the Access Privileges of any Clearing Member, Exchange Member or Access Person if, in the sole discretion of the Exchange, such action is in the best interest of the Exchange.

A Clearing Member may at any time revoke the authorization of any Exchange Member or Access Person guaranteed by it, with or without prior notice to such Exchange Member or Access Person. For purposes of the relationship between the relevant Clearing Member and the Exchange, and the obligations of such Clearing Member to the Exchange, any such revocation shall become effective upon the receipt of notice thereof by the Exchange. Upon such receipt, the Access Privileges of the Exchange Member or Access Person subject thereto shall be automatically terminated, and such Access Person must obtain another guarantee from a Clearing Member before its Access Privileges will be reinstated.

307. Application of Rules and Jurisdiction

(a) By accessing, or entering any Order into, the OneChicago System, and without any need for any further action, undertaking or agreement, a Clearing Member, Exchange Member or Access Person agrees (i) to be bound by, and comply with, the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to it, and (ii) to become subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Clearing Member, Exchange Member or Access Person.

(b) Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

(c) Any Clearing Member, Exchange Member or Access Person whose Access Privileges are revoked or terminated, whether pursuant to Rule 306 or Chapter 7, shall remain bound by the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to,

or in connection with, the status, actions or omissions of such Clearing Member, Exchange Member or Access Person prior to such revocation or termination.

(d) Any Person subject to Rule 307(b) that is not a Clearing Member, Exchange Member or Access Person is bound by and required to comply with the following Rules of the Exchange for purposes of Rule 307(b) to the same extent that a Clearing Member, Exchange Member or Access Person is bound by and required to comply with those Rules of the Exchange:

Rules 306, Limitations of Access Privileges; 308, Recording of Conversations; 309, Notices; 402, Trading Hours; 406, Execution of Orders by OneChicago System; 411, Requirements for Average Price System Transactions; 412, Application and Closing Out of Offsetting Positions, 413, Errors of Clearing Members; 414, Position Limits and Position Accountability; 416, Exchange of Future for Physical; 417, Block Trading; 418, Futures Calendar Spread; 422, Limitation of Liability, No Warranties; 423, Transfer of Trades; 424, Concurrent Long and Short Positions; 501, Books and Records; 502, Inspection and Delivery; 510, Risk Disclosure Statement; 511, Fraudulent or Misleading Communications; 512, Responsibility for Customer Orders; 513, System Security; 601, Fraudulent Acts; 602, Fictitious Transactions; 603, Market Manipulation; 604, Adherence to Law; 605, Sales Practice Rules; 607, Use of Access Privileges; 608, Acts Detrimental to the Exchange; Acts Inconsistent with Just and Equitable Principles of Trade; 610, Priority of Customers' Orders; 611, Trading Against Customers' Orders; 612, Withholding Orders; 613, Disclosing Orders; 614, Pre-Arranged Trades; 615, Simultaneous Buying and Selling Order; and all of chapters 7, 9, 10 and 11.

Exchange Communications

308. Recording of Conversations

The Exchange may record conversations between officers, employees or agents of the Exchange, on one hand, and Clearing Members or Exchange Members (including their respective Related Parties) or Access Persons, on the other hand. Any such recordings may be retained by the Exchange in such manner and for such periods of time as the Exchange may deem necessary or appropriate.

309. Notices

The Exchange shall publish a notice with respect to each addition to, or modification of, the Rules of the Exchange, in a form and manner that is reasonably designed to enable each Clearing Member and Exchange Member to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof; *provided* that any failure of the Exchange to so publish a notice shall not affect the effectiveness of the addition or modification in question. For purposes of publication in accordance with the first sentence of this Rule 309, it shall be sufficient (without limiting the discretion of the Exchange as to any other reasonable means of communication) if a notice is (a) sent to each Clearing Member and Exchange Member by mail, recognized courier service,

facsimile or electronic mail (including by means of a hyperlink included in an electronic mail message), to the address, facsimile number or electronic mail address (as applicable) provided by such Clearing Member or Exchange Member for such purpose and (b) published on the Exchange's website.

CHAPTER 4 TRADING PROCEDURES AND STANDARDS

General

401. Contracts Traded on the Exchange

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

402. Trading Hours

(a) The Exchange shall from time to time determine (i) on which days the Exchange shall be regularly open for business in any Contract (“Business Days”) and (ii) during which hours trading in any Contract may regularly be conducted on such days (“Trading Hours”). Except to the extent expressly permitted by the Rules of the Exchange, no Clearing Member, Exchange Member or Access Person shall make any bid or offer for, or engage in any transaction in, any Contract before or after such hours.

(b) The Exchange may from time to time adopt procedures for the opening or closing of trading in any Contract.

Entry and Execution of Orders

403. Order Entry

(a) All Orders shall be entered into the OneChicago System by electronic transmission through a OneChicago Workstation, and the Exchange shall maintain an electronic record of those entries. Each Clearing Member and Exchange Member shall be responsible in every respect for any and all Orders entered by it (including its employees) and for compliance by its Related Parties with this Rule 403; in addition, each Clearing Member shall be responsible in every respect for any and all Orders entered by any and all Access Persons that it has permitted to act as such, and for compliance by such Access Persons with this Rule 403. Prior to entering any Order, the relevant employee or Access Person shall sign onto the OneChicago System by inputting the user identification assigned for such purpose by the Exchange. Each Order must contain the following information: (i) whether such Order is a buy or sell Order; (ii) Order type; (iii) commodity; (iv) contract month; (v) price; (vi) quantity; (vii) account type; (viii) account designation (the number assigned by a Clearing Member to each of its accounts); and (ix) such additional information as may be prescribed from time to time by the Exchange.

(b) With respect to Orders received by any Clearing Member or, if applicable, Exchange Member or Access Person, which are immediately entered into the OneChicago System, no record needs to be kept by such Clearing Member, Exchange Member or Access Person, except as may be required by Applicable Law. However, if any Clearing Member or, if applicable, Exchange Member or Access Person receives Orders which cannot be immediately entered into the OneChicago System, such Clearing Member, Exchange Member or Access Person, must prepare an order form in a non-alterable written medium, which shall be time-stamped to reflect the order receipt time and include the account designation, date, and other required information. Each such form must be retained by such Clearing Member, Exchange Member or Access Person for at least five years from the time it is prepared. Any such Orders must be entered into the OneChicago System, in the order they were received, as soon as they can be entered into the OneChicago System.

(c) Each Clearing Member, Exchange Member or Access Person with non-intermediated access to the OneChicago System shall maintain front-end audit trail information for all electronic orders entered into the OneChicago System, including order modifications and cancellations and responses to such messages.

404. Acceptable Orders

At the discretion of the Exchange, any of the following types of Orders, as well as any other types that may be approved from time to time, may be entered into the OneChicago System with respect to any Contract:

(a) *Market Order*. A “Market Order” is an order to buy or sell a stated number of Contracts at the best price available in the market.

(b) *Limit Order*. A “Limit Order” is an order to buy or sell a stated number of Contracts at a specified price, or at a better price.

(c) *Cancel Order*. A “Cancel Order” is an order that cancels fully an existing buy or sell order.

(d) *Cancel Replace Order*. A “Cancel Replace Order” is an order to cancel fully an existing buy or sell order and replace it with a new order for a different quantity or price.

(e) *Day Order*. A “Day Order” is an order for any Contract that, unless executed, remains in the OneChicago System until the end of the Business Day for such Contract on which it is entered.

(f) *Good-'til-Canceled Order*. A “Good-'til-Canceled Order” is an order that, unless executed, remains in the OneChicago System until it is withdrawn by the Clearing Member, Exchange Member or Access Person who

placed it or the Expiration Date of the Contract to which it relates, whichever occurs first.

(g) *Good-'til-Date*. A “Good-‘til-Date Order” is an order that, unless executed, remains in the OneChicago System for the number of hours, minutes and seconds specified, up to and including 24 hours as indicated on the Order by the Clearing Member, Exchange Member or Access Person who placed it or the Expiration Date of the Contract to which it relates, whichever occurs first.

(h) *Spread Order*. A “Spread Order” is an order to buy a stated number of Contracts and to sell the same number of other Contracts, in a form accommodated by the OneChicago System.

(i) *Contingency Orders*. A “Contingency Order” is a Market Order or Limit Order to buy or sell a stated number of Contracts that is contingent upon a condition being satisfied while the order remains in the OneChicago System.

(i) *All or None Order*. An “All or None Order” is an order which is to be executed in its entirety at its limit price.

(ii) *Fill or Kill Order*. A “Fill or Kill Order” is an order which is automatically cancelled unless executed in its entirety within a short period of time after its receipt.

(iii) *Immediate or Cancel Order*. An “Immediate or Cancel Order” is a Market Order or Limit Order which is automatically cancelled unless executed in whole or in part immediately upon its receipt.

(iv) *Stop Order*. A “Stop Order” is an order to buy or sell when the market for a particular Contract reaches a specified price. A Stop Order to buy becomes a Market Order when the relevant Contract trades or is bid at or above the stop price. A Stop Order to sell becomes a Market Order when the relevant Contract trades or is offered at or below the stop price.

(v) *Stop Limit Order*. A “Stop Limit Order” is an order to buy or sell when the market for a particular Contract reaches a specified price. A Stop Limit Order to buy becomes a Limit Order when the relevant Contract trades or is bid at or above the stop limit price. A Stop Limit Order to sell becomes a Limit Order when the relevant Contract trades or is offered at or below the stop limit price.

405. Modification and Cancellation of Orders

Any Order that has been entered into the OneChicago System may be modified or cancelled unless and until it has been executed. Any such modification or cancellation requires that a Cancel Replace Order or Cancel Order with respect to the original Order be entered into the OneChicago System.

406. Execution of Orders by OneChicago System

(a) *General.* At the discretion of the Exchange, any of the following base allocation methods shall apply to the execution of Orders (other than Spread Orders) for any Contract by the OneChicago System.

(i) *Price-Time Priority.* Under this method, Orders for any Contract are prioritized according to price and time. If at any time there are two or more such Orders at the best price then available, such Orders are executed in the order in which they were received by the OneChicago System.

(ii) *Combined Price-Time and Size Priority.* Under this method, Orders for any Contract are prioritized according to price. If at any time there are two or more such Orders at the best price then available, the executable quantity of Contracts is allocated to such Orders on a *pro rata* basis, taking into account the relative sizes of such Orders; *provided* that if such *pro rata* method would result in a fraction of a Contract being allocated to any Order, such fraction shall be rounded up (if such fraction is equal to or greater than one-half) or down (if such fraction is less than one-half); *provided, further,* that if rounding in accordance with the immediately preceding proviso would result in a number of Contracts in excess of the executable quantity, the quantity allocated to the Order that was last received by the OneChicago System shall be reduced accordingly.

(b) *Priority Overlays.* In addition to the base allocation methods set forth in paragraph (a) above, the Exchange may determine that any or all of the following priority overlays shall apply, in a sequence determined by the Exchange, to the execution of Orders (other than Spread Orders) for any Contract by the OneChicago System:

(i) *Public Customer Priority.* If this priority overlay is in effect with respect to any Contract, the highest bid and lowest offer available at any time shall have priority, except that Orders placed by or on behalf of public Customers shall have priority over Orders at the same price placed by or on behalf of non-public Customers. If there are two or more Orders placed by or on behalf of public Customers at the same price, such Orders shall be executed in the order in which they were received by the OneChicago System, even if combined price-time and size priority is the chosen base allocation method.

(ii) *Market Improver Priority.* If this priority overlay is in effect with respect to any Contract, each Market Improver shall have priority at the highest bid or lowest offer made by it. At any given price, such priority shall remain with the Market Improver for such price. For example, if the market first moves in the same direction as an Order

previously placed by a Market Improver, and then moves back to the price previously bid or offered by such Market Improver, then such Market Improver retains its priority at such price.

(iii) *Trade Participation Right Priority.* Certain market makers may be granted trade participation rights in accordance with any program adopted pursuant to Rule 514, which rights may provide for priority of Orders placed, or quotes made, by such market makers over other Orders or quotes, up to the applicable participation right percentage. In granting trade participation rights to such market makers, the following principles shall be followed:

(A) The Order placed or quote made by the market maker must be at the best available price.

(B) The market maker may not be allocated a total quantity of Contracts that would be greater than the quantity for which such market maker placed Orders or made quotes at that price. Additionally, the market maker may not be allocated a total quantity of Contracts that would represent a greater percentage than such market maker's percentage of the total size at the best price before the trade participation right was applied.

(C) If both the trade participation right priority and the Market Improver priority are in effect and the market maker is the Market Improver for the relevant price, the market improver priority shall not be applicable.

(D) In determining the parties to a particular trade, a market maker's trade participation right shall be applied against such market maker's bids or offers in accordance with their relative priority.

(c) *Particular Order Types.* Notwithstanding the general principles described in paragraphs (a) and (b) above, the following shall apply with respect to each of the Order types hereinafter referred to:

(i) *Market Orders and Limit Orders.* Except as otherwise provided in the rules governing a particular Contract, Market Orders are generally afforded execution priority over Limit Orders for such Contract at the same price and on the same side of the market.

(ii) *Cancel Replace Orders.* The modification of an existing Order by means of a Cancel Replace Order affects the priority position of the existing Order, as follows:

(A) If the price of the existing Order is modified, such Cancel Replace Order is placed in priority position behind all Orders of the same type at the same price;

(B) If the quantity of the existing Order is decreased, such Cancel Replace Order is placed in the same priority position as the existing Order; and

(C) If the quantity of the existing Order is increased, such Cancel Replace Order is placed in priority position behind all Orders of the same type at the same price.

(iii) *Contingency Orders.* Regardless of the priority method in place for a particular Contract, all types of Contingency Orders are placed last in priority behind all other Orders for such Contract, irrespective of when they are entered into the OneChicago System. Accordingly, a Contingency Order that was entered before a Limit Order for the same Contract at the same price is treated as if it were entered after such Limit Order. If priority for Orders placed by Clearing Members or, if applicable, Exchange Members or Access Persons on behalf of Customers is afforded with respect to a particular Contract, Contingency Orders placed on behalf of Customers have priority over other Contingency Orders, but are placed behind all other Orders, for such Contract.

(d) *Spread Orders.* Spread Orders are not subject to the procedures set forth in this Rule 406, but shall be executed in accordance with procedures adopted by the Exchange pursuant to Rule 408.

(e) *Bunched Orders.* Subject to compliance with Rule 605 and the sales practice rules referred to therein, each Clearing Member or, if applicable, Exchange Member or Access Person may enter, or permit its Related Parties to enter (as applicable), a bunched Order for more than one discretionary Customer account into the OneChicago System by using a designation specific to the allocation group and account controller rather than including each of the individual account numbers in such Order, provided such Clearing Member, Exchange Member or Access Person has filed or is filing an allocation scheme for such Order in accordance with applicable NFA requirements.

407. Market and Limit Order Processing

The Exchange may from time to time adopt procedures specifying under what conditions and how Market Orders or Limit Orders will be processed by the OneChicago System.

408. Processing of Spread Orders

The Exchange may from time to time adopt procedures specifying the types of Spread Orders and how Spread Orders will be processed by the OneChicago System.

409. Crossing Orders

The Exchange may from time to time adopt procedures to facilitate the crossing of Orders through the OneChicago System.

410. Market Data; Execution Acknowledgments

The Exchange will make information regarding completed trades, Orders (including prices bid or offered) and any other matters it may deem appropriate available to Clearing Members, Exchange Members, Access Persons and other Persons at such times and in such manner (whether through the OneChicago System, a ticker, financial information services, or otherwise) as the Exchange may consider necessary or appropriate from time to time. Each Clearing Member, Exchange Member and Access Person receiving any such information through the OneChicago System may redistribute such information only to such extent and in such manner as may be permitted by the Board from time to time. Employees and agents of the Exchange shall have access to the offices of any Clearing Member, Exchange Member or Access Person during regular business hours in order to observe the compliance by such Clearing Member, Exchange Member (including in each case its Related Parties) or Access Person with the immediately preceding sentence.

An acknowledgment of each executed Order will be forwarded to the parties on each side of the trade resulting from such Order.

411. Requirements for Average Price System Transactions

A Clearing Member, Exchange Member or Access Person that is a registered futures commission merchant receiving multiple execution prices on an Order or series of Orders for any Contract may use an Average Price System to calculate and confirm to any Customer an average price for such Contract, provided all of the following requirements are satisfied:

(a) Such Customer shall have requested such Clearing Member, Exchange Member or Access Person to use an Average Price System;

(b) Each individual transaction with respect to such Contract shall be submitted to, and cleared by, the Clearing Corporation at the price at which it was executed;

(c) Such Clearing Member, Exchange Member or Access Person shall compute the weighted mathematical average price by (i) multiplying the number of Contracts purchased or sold at each execution price by that price, (ii)

adding the results of together and (iii) dividing the sum by the total number of Contracts purchased or sold; *provided* that for any series of Orders, the average price may be computed based on the average price of each Order in that series; *provided, further,* that a Clearing Member, Exchange Member or Access Person may confirm to its Customer either the actual average price or an average price rounded up (in the case of a buy Order) or down (in the case of a sell Order) to the closest minimum price fluctuation; *provided, further,* if the average price computation yields an amount that cannot be expressed in whole one-cent increments, any amount that is less than one cent may be retained by the Clearing Member, Exchange Member or Access Person;

(d) Such Clearing Member, Exchange Member or Access Person shall (i) possess records to support the computations described in paragraph (c) above and the allocations to Customer accounts, (ii) maintain such records in accordance with applicable Commission Regulations and (iii) make such records available for inspection by affected Customers upon request;

(e) Each Order shall be for the same account or group of accounts and for the same commodity and expiration month;

(f) Such Clearing Member, Exchange Member or Access Person shall ensure that prices for transactions for any of its proprietary accounts are not averaged with prices for transactions executed on behalf of Customers;

(g) Such Customer shall have received appropriate disclosure regarding the method used to calculate the average price; and

(h) Such Clearing Member, Exchange Member or Access Person shall identify each transaction for which the execution price is computed pursuant to an Average Price System on each confirmation statement and monthly statement on which such transaction is reported to the Customer.

412. Application and Closing Out of Offsetting Positions

Each Clearing Member, Exchange Member and Access Person that is registered with the Commission as a futures commission merchant must comply with the provisions of Commission Regulation § 1.46.

413. Errors of Clearing Members

(a) If a Clearing Member or, if applicable, an Exchange Member or Access Person discovers an error in the handling of an Order for a Customer after the relevant trade is completed, and the Order cannot be executed in the market at a price which is better than or equal to that at which the Order should have been executed, such Clearing Member, Exchange Member or Access Person shall do one or more of the following:

(i) Execute the Order in the market and make an appropriate cash adjustment such that the Customer effectively receives a price that is equal to or better than the price at which its Order should have been executed; or

(ii) Notwithstanding any other provision of the Rules of the Exchange to the contrary, execute a spread transaction in the market where one leg is for such Customer's account and the other leg is for the account of such Clearing Member, Exchange Member or Access Person; *provided* that, as a result of such spread transaction, the Customer shall receive a price equal to or better than the price at which its Order should have been executed. Any such spread transaction must be reported to the Exchange.

Any violation of this Rule 413 for the purpose of taking advantage of an Order or Orders shall constitute conduct which is inconsistent with just and equitable principles of trade.

(b) This Rule 413 shall not be construed to contravene any instructions received by a Clearing Member or, if applicable, Exchange Member or Access Person from a Customer with respect to any Order prior to its execution, but shall be construed to permit execution of Orders under the conditions described in paragraph (a) above, without prior instructions from a Customer.

Position Limits, Position Accountability and Price Limits

414. Position Limits and Position Accountability *

(a) Position limits shall be as established by the Exchange from time to time as permitted by Commission Regulation § 41.25 and as set forth on OneChicago's public website. Such position limits shall be aggregated among contracts that overlay the same commodity and expire on the same day. Position limits for weekly contracts are always in effect. Except as specified in paragraph (b) below, no Clearing Member, Exchange Member or Access Person shall control, or trade in, any number of Contracts that exceed any position limits so established by the Exchange. Except as specified in paragraph (b) below, no Clearing Member, Exchange Member or Access Person shall be permitted to enter into any transaction on the Exchange that would cause such Clearing Member, Exchange Member or Access Person to exceed any position limits.

(b) Upon application to the Exchange in accordance with paragraph (c) below and the subsequent approval by the Exchange, qualified hedge transactions shall be exempt from the position limits. For purposes of this Rule 414, the term "qualified hedge transaction" shall include:

(i) Substituting futures positions for existing cash equity positions (e.g.. selling (buying) an established cash equity position and buying (selling) the corresponding security futures position)**

(ii) any transaction or position in a particular Contract that represents a substitute for transactions to be made or positions to be taken at a later time in the commodity underlying such Contract, provided the transaction entered into or position taken on the Exchange is economically appropriate to reduce risks arising from:

(A) any potential change in the value of assets that a Person owns, produces, manufactures, processes or merchandises or anticipates owning, producing, manufacturing, processing or merchandising;

(B) any potential change in the amount of liabilities that a Person owes or anticipates incurring;

(C) any potential change in the value of services that a Person provides, purchases or anticipates providing or purchasing; or

(D) any other good cause shown, as determined by the Exchange in its sole discretion

*Amended on October 7, 2009

**Amended on June 15, 2011

(c) Any application for an exemption from position limits for hedging purposes must be made by the Clearing Member, Exchange Member or Access Person wishing to enter into the transaction or wishing to take the position at issue, to the Exchange in such form as the Exchange may from time to time prescribe. A Clearing Member, Exchange Member or Access Person intending to exceed position limits, including limits established pursuant to a position limits exemption that has already been approved, must file the required application and must receive approval from the Exchange prior to exceeding such position limits. However, a Clearing Member, Exchange Member or Access Person who establishes a position eligible for an exemption in excess of position limits, and who files the required application with the Exchange, shall not be in violation of position limits provided the filing occurs within one Business Day after assuming the position. Without limiting the generality of the foregoing, any such application must include the following:

(i) A representation that such transaction or position constitutes a qualified hedge transaction;

(ii) A representation that such transaction or position is necessary or advisable as an integral part of the business of such Clearing

Member, Exchange Member or Access Person, which representation shall also include a description of such business;

(iii) A schedule of the maximum number of Contracts, long and short, that such Clearing Member, Exchange Member or Access Person intends to enter into for hedging purposes; *

(iv) An agreement that such Clearing Member, Exchange Member or Access Person will comply with any additional limits on its trading as the Exchange may from time to time impose; and

(v) An agreement by such Clearing Member, Exchange Member or Access Person to promptly submit a supplemental statement explaining any change in circumstances that may affect the nature of its positions.

* Amended on November 7, 2009

(d) In determining whether any Clearing Member, Exchange Member or Access Person has exceeded the position limits or position accountability established by the Exchange, all positions in accounts for which such Clearing Member, Exchange Member or Access Person, by power of attorney or otherwise, directly or indirectly controls trading (whether on a proprietary basis or on behalf of Customers) shall be included. Position limits and position accountability shall apply to positions held by two or more Clearing Members, Exchange Members or Access Persons acting pursuant to an express or implied agreement or understanding in the same manner as if such positions were held by a single Person.

(e) The Exchange shall have the authority to review and rescind any exemption granted by it pursuant to paragraph (c) above at any time in its sole discretion.

(f) For purposes of paragraph (d) above, "control" exists when the Clearing Member, Exchange Member or Access Person in question makes investment decisions for the account or accounts in question or materially influences, directly or indirectly, the actions of any Person who makes such investment decisions. In addition, "control" will be presumed to exist in the following circumstances:

(i) Among all parties to a joint account who have authority to act on behalf of such account;

(ii) Among all general partners to a partnership account;

(iii) If a Person (A) holds an ownership interest of 10 percent or more in the Person holding the account or accounts in question, or (B)

shares in 10 percent or more of the profits or losses related to such account or accounts;

(iv) If the Persons holding the account or accounts in question have common directors or management; or

(v) If a Person has the authority to execute transactions in the account or accounts in question.

Any presumption of control on the basis of the foregoing circumstances can be rebutted by proving that such circumstances do not exist or by showing other circumstances which negate the presumption of control. Initial determinations of “control” shall be made by the Compliance Department and may be reviewed by the Chief Executive Officer, or his or her designee, based upon a report by the Compliance Department.

(g) *Position Accountability.* The Exchange has adopted this position accountability rule for security futures products where the average daily trading volume in the underlying security exceeds 20 million shares and there are more than 40 million shares of the underlying security outstanding. A Person owning or controlling more than a specified number of futures contracts net long or short in all contracts overlaying the same commodity combined (as set forth on OneChicago’s public website, as may be amended from time to time) must provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable, and consent to halt increasing their positions when so ordered by the Exchange.

415. Price Limits; Final Settlement Prices

(a) The rules governing a particular Contract shall contain any price limits that apply to trading in such Contract.

(b) In the case of any Contract that is a cash-settled security futures product (as such term is defined in Section 1a(32) of the CEA), the rules governing such Contract shall establish principles for the determination of final settlement prices that are consistent with Commission Regulation § 41.25(b).

Exchange of Future for Physical, Block Trading, and Futures Calendar Spread

416. Exchange of Future for Physical

(a) A *bona fide* Exchange of Future for Physical may be entered into with respect to any Contract in accordance with the applicable trading increments set forth in the rules governing such Contract, at a reasonable price mutually agreed upon by the parties to such transaction. Each Exchange of Future for Physical must contain the following four essential elements:

(i) A Futures transaction and a transaction in the underlying security that are integrally related and combined into a single transaction with two legs

(a) One leg being the Futures and the other leg being the underlying security

(b) Priced as a differential between the Futures and the underlying security.

(ii) An exchange of Futures for the underlying security where the Futures provide for the transfer of ownership of such security to the cash buyer upon performance of the terms of such Futures, with delivery to take place in accordance with the Futures contract specifications; and

(iii) Separate parties, such that the accounts involved on each side of the Exchange of Future for Physical have different beneficial ownership or are under separate control.

(iv) In every Exchange of Future for Physical, one party must be the buyer of the security and the simultaneous seller of the corresponding Futures and the other party must be the seller of the security and the simultaneous buyer of the corresponding Futures. Further, the quantity of the security traded in an Exchange of Future for Physical must be equivalent to the quantity of the security represented by the Futures portion of the transaction.

(b) The trading day for Exchange of Future for Physical transactions with respect to any Contract shall be as set forth in the rules governing such Contract.

(c) Each Exchange of Future for Physical shall be designated as such, and cleared through the Clearing Corporation as if it were a transaction executed through the OneChicago System.

(d) Each Clearing Member or Exchange Member involved in any Exchange of Future for Physical shall maintain records evidencing compliance with the criteria set forth in this Rule 416. Upon request, each such Clearing Member or Exchange Member shall provide documentation evidencing the underlying cash transaction to the Exchange.

(e) An Exchange Member or Access Person authorized by a Clearing Member, whose bid or offer for an Exchange of Future for Physical is matched to a counterparty by the OneChicago System, is obligated to complete the transaction including the submission of the securities portion of the transaction to the market centers, as defined in Exchange Act Regulation § 600(b)(38), designated by the Exchange unless some other provision of these Rules provides otherwise.

417. Block Trading

(a) Clearing Members, Exchange Members and Access Persons may enter into transactions at reasonable prices mutually agreed, with respect to Contracts that have been designated by the Exchange for such purpose, provided all of the following conditions are satisfied (such transactions, “Block Trades”):*

(i) Each buy or sell order underlying a Block Trade must (A) state explicitly that it is to be, or may be, executed by means of a Block Trade and (B) be for at least 5 Contracts in the OCX.NoDivRisk futures and at least 25 Contracts for all other products; *provided* that only (x) a commodity trading advisor registered under the CEA, (y) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the CEA and Commission Regulations thereunder and (z) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States of America in which the Exchange may be permitted from time to time to operate OneChicago Workstations, in each case with total assets under management exceeding US\$25 million, may satisfy this requirement by aggregating orders for different accounts.

(ii) Each party to a Block Trade must qualify as an “eligible contract participant” (as such term is defined in Section 1a(18) of the CEA); *provided* that, if the Block Trade is entered into on behalf of a Customer by a Clearing Member or, if applicable, Exchange Member or Access Person that is (A) a commodity trading advisor registered under the Act, (B) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act and Commission Regulations thereunder or (C) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States of America in which the Exchange may be permitted from time to time to operate OneChicago Workstations, in each case with total assets under management exceeding US\$25 million, then only such commodity trading advisor or investment adviser, but not the individual Customers, need to so qualify.

(b) Each party to a Block Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the OneChicago System.

* Amended June 15, 2011

(c) Each Block Trade shall be designated as such, and cleared through the Clearing Corporation as if it were a transaction executed through the

OneChicago System. Information identifying the relevant Contract, contract month, price, quantity, time of execution, counterparty Clearing Member for each Block Trade and, if applicable, the underlying commodity must be reported to the Exchange without delay. The Exchange will publicize information identifying the trade as a Block Trade and identifying the relevant Contract, contract month, price, quantity for each Block Trade and, if applicable, the underlying commodity immediately after such information has been reported to the Exchange.

(d) Each Clearing Member, Exchange Member and Access Person that is party to a bilateral Block Trade shall record the following details on its order ticket: the Contract (including the delivery or expiry month) to which such Block Trade relates; the number of Contracts traded; the price of execution; the time of execution; the identity of the counterparty; and, if applicable, details regarding the Customer for which the Block Trade was executed and the underlying commodity. A Clearing Member or, if applicable, Exchange Member or Access Person may execute an Order placed for a non-discretionary Customer account by means of a Block Trade only if the Customer has previously consented thereto. Upon request by the Exchange, such Clearing Member, Exchange Member or Access Person shall produce satisfactory evidence, including the order ticket referred to in the preceding sentence, that the Block Trade meets the requirements set forth in this Rule 417.

Each authorized trade reporter entering block orders into the OneChicago System shall input for each block order: the price, quantity, product, expiration month, account origin code and account designation.

With respect to block orders which are capable of being immediately entered into the OneChicago System, no record other than that set forth above in the preceding paragraph need be made. However, if an authorized trade reporter receives a block order which cannot be immediately entered into the OneChicago System, the authorized trader reporter must prepare a written order and include the account designation, date, time of receipt, buy or sell, the Contract (including the delivery or expiry month), the number of Contracts, and the requested price. The order must be entered into the OneChicago System when it becomes executable or when it has been privately negotiated.

(e) No natural person associated with a Clearing Member, Exchange Member or Access Person that has knowledge of a pending Block Trade of such Clearing Member, Exchange Member or Access Person, or a Customer thereof, may enter an Order or execute a transaction, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for or in the Contract to which such Block Trade relates until after (i) such Block Trade has been reported to and published by the Exchange and (ii) any additional time period from time to time prescribed by the Exchange in its block trading procedures or contract specifications has expired.

(f) No natural person associated with a Clearing Member, Exchange Member or Access Person that has knowledge of a pending block trade of such Clearing Member, Exchange Member or Access Person, or a Customer thereof, on any other exchange or trading system, may enter an Order or execute a transaction on the Exchange, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for any Contract which has the same underlying security as the contract to which such block trade relates until after (i) such block trade is reported and published in accordance with the rules, procedures or contract specifications of such exchange or trading system and (ii) any additional time period prescribed by the Exchange in its block trading procedures or contract specifications has expired

(g) Any Block Trade in violation of these requirements shall constitute conduct which is inconsistent with just and equitable principles of trade.

(h) Block trades can be competitively executed on the OneChicago System by placing anonymous bids or offers. Alternatively, block trades can be privately negotiated and reported as bilateral transactions using the OneChicago System.

418. Futures Calendar Spread

(a) A Futures Calendar Spread is the purchase (sale) of a certain quantity of a Contract and the simultaneous sale (purchase) of the same quantity of the same Contract of a different expiry. In a Futures Calendar Spread, the parties to the transaction are mutually obligated to transfer or take delivery of the underlying security in accordance with the expiry of the Contracts. Unless offset with a separate transaction, the Futures Calendar Spread will obligate the buyer to transfer the underlying security upon the expiry of the near-dated Contract of the spread within the physical delivery settlement cycle of the Contract, and to retake delivery of the security upon the expiry of the far-dated Contract of the spread within the physical delivery settlement cycle of the Contract.

(b) A Futures Calendar Spread is an integrated transaction executed as a single instrument and at a single price, which shall be the difference between the two expiries.

Special Circumstances

419. Error Trades

Any error trades shall be resolved in accordance with the policies and procedures from time to time adopted by the Exchange.

420. Regulatory Halts

(a) Trading in a Single Stock Future shall be halted at all times that a “regulatory halt” (as defined in Commission Regulation § 41.1(l)) has been instituted for the security underlying such Single Stock Future.

(b) Trading in a Stock Index Future shall be halted at all times that a “regulatory halt” (as defined in Commission Regulation § 41.1(l)) has been instituted for one or more of the securities that constitute 50% or more of the market capitalization of the “narrow-based security index” (as such term is defined in Section 1a(25) of the CEA) underlying such Stock Index Future.

(c) Trading in any single stock futures contract (including any futures contract on an exchange-traded product) shall be halted whenever trading in the underlying security has been paused by the primary listing market. Trading in such single stock futures contracts may be resumed when the interests of a fair and orderly market are best served by a resumption of trading, which in no circumstances will be before the Exchange has received notification that the underlying security has resumed trading on a least one national securities exchange.

*Interpretation to Rule 420***

For purposes of this rule 420, a regulatory halt, as defined in Commission Regulation §41.1(l) shall be effective as of the time the “halt” is instituted by the national securities exchange. Accordingly, trades in a Single Stock Future or in a narrow-based security index as defined above made after the time the underlying halt is instituted, will be subject to cancellation or “bust” by the Exchange.

* Amended July 14, 2010.

** Interpretation added on November 4, 2009 and amended on July 14, 2010.

421. Emergencies

(a) *General.* If the Chief Executive Officer, or any individual designated by the Chief Executive Officer and approved by the Board (or in the circumstances specified in Rule 707(b), the Business Conduct Committee), determines that an Emergency exists, the Chief Executive Officer, such designee or the Business Conduct Committee, as the case may be, may place into immediate effect a temporary emergency rule, which rule may remain in effect for up to 30 Business Days and which may provide for, or may authorize the Exchange, the Board or any committee thereof to undertake actions necessary or appropriate to respond to the Emergency, including such actions as:

- (i) limiting trading to liquidation only, in whole or in part;

- (ii) extending or shortening, as applicable, the Expiration Date or Expiration Month of any Contract;
- (iii) extending the time of delivery, changing delivery points or the means of delivery provided in the rules governing any Contract;
- (iv) imposing or modifying position or price limits with respect to any Contract;
- (v) ordering the liquidation of Contracts, the fixing of a settlement price or any reduction in positions;
- (vi) ordering the transfer of Contracts, and the money, securities, and property securing such Contracts, held on behalf of Customers by any Clearing Member to one or more other Clearing Members willing to assume such Contracts or obligated to do so;
- (vii) extending, limiting or changing hours of trading;
- (viii) suspending or curtailing trading in any or all Contracts or modifying circuit breakers; or
- (ix) requiring Clearing Members, Exchange Members, Access Persons or Customers to meet special margin requirements; or
- (x) modifying or suspending any provision of the Rules of the Exchange or the Rules of the Clearing Corporation.

Any such rule placed into effect in accordance with the preceding sentence shall be reviewed by the Board as soon as practicable under the circumstances, and may be revoked, suspended or modified by the Board.

(b) *Physical Emergency.* If, in the judgment of the Chief Executive Officer, or any individual designated by the Chief Executive Officer and approved by the Board, the physical functions of the Exchange are, or are threatened to be, severely and adversely affected by a physical emergency (such as a fire or other casualty, bomb threats, substantial inclement weather, power failures, communications breakdowns, computer system breakdowns, screen-based trading system breakdowns or transportation breakdowns), such Person may take any action that he or she may deem necessary or appropriate to respond to such physical emergency, including closing the Exchange, delaying the opening of trading in one or more Contracts or suspending trading in or extending trading hours for one or more Contracts. In the event that any action has been taken pursuant to the immediately preceding sentence, any Person who is authorized to take such action may order the removal of any restriction previously imposed pursuant to such sentence, upon a determination by such Person that the physical emergency that gave rise to such restriction has sufficiently abated to permit the physical functions of the Exchange to

continue in an orderly manner; *provided* that any order pursuant to this sentence shall be subject to review, modification or reversal by the Board.

(c) *Notification and Recording.* The Exchange will notify the Commission of any action taken, or proposed to be taken, pursuant to this Rule 420 in accordance with Commission Regulation § 40.6. The decision-making process with respect to, and the reasons for, any such action will be recorded in writing.

(d) *Conflicts of Interest.* The conflict of interest provisions set forth in Rule 211(b) and the related documentation requirements set forth in Rule 211(c) shall apply, *mutatis mutandis*, to the taking of any action under this Rule 420 by the Chief Executive Officer, or his or her designee.

Limitation of Liability

422. Limitation of Liability; No Warranties

(a) EXCEPT AS PROVIDED BELOW, NONE OF THE EXCHANGE, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, VENDORS, OWNERS, CLEARING MEMBERS AND EXCHANGE MEMBERS SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES), ARISING FROM:

(i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE ONECHICAGO SYSTEM, OR ANY EXCHANGE SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEM AND SERVICES;

(ii) WITHOUT LIMITING THE GENERALITY OF CLAUSE (i) ABOVE, ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER CAUSE, OF THE ONECHICAGO SYSTEM, ANY EXCHANGE SERVICE OR FACILITY CAUSED BY ANY THIRD PARTY, INCLUDING INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS;

(iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE EXCHANGE, THE

ONECHICAGO SYSTEM, OR ANY EXCHANGE SERVICE OR FACILITY;

(iv) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF THE ONECHICAGO SYSTEM, OR ANY EXCHANGE SERVICE OR FACILITY BY ANY PERSON; OR

(v) ANY ACTION TAKEN OR OMITTED TO BE TAKEN IN RESPECT OF THE BUSINESS OF THE EXCHANGE.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY IRRESPECTIVE OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER A CLAIM IS BROUGHT DIRECTLY OR AS A THIRD-PARTY CLAIM.

THE FOREGOING LIMITATION OF LIABILITY SHALL BE SUBJECT TO THE CEA AND COMMISSION REGULATIONS. NOTWITHSTANDING ANYTHING IN THIS PARAGRAPH (a) TO THE CONTRARY, A PARTY WHO HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT MAY NOT AVAIL ITSELF OF THE PROTECTIONS AFFORDED HEREBY.

(b) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS BY ANY OF THE EXCHANGE, ITS AFFILIATES OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, VENDORS, OWNERS, CLEARING MEMBERS OR EXCHANGE MEMBERS RELATING TO THE ONECHICAGO SYSTEM, OR ANY EXCHANGE SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEM OR SERVICES, INCLUDING WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE.

(c) NO INDEX LICENSOR WITH RESPECT TO ANY INDEX PERTAINING TO AN EXCHANGE-TRADED FUND OR A NARROW-BASED SECURITY INDEX UNDERLYING A FUTURE TRADED ON THE EXCHANGE MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON FROM THE USE OF SUCH INDEX, ANY OPENING, INTRA-DAY OR CLOSING VALUE THEREFOR, OR ANY DATA INCLUDED THEREIN OR RELATING THERETO, IN CONNECTION WITH THE TRADING OF ANY FUTURE BASED ON A NARROW-BASED SECURITY INDEX OR A FUTURE ON AN EXCHANGE-TRADED FUND BASED THEREON OR FOR ANY OTHER PURPOSE. FOR PURPOSES OF THIS RULE 422, THE TERM "INDEX LICENSOR" REFERS TO ANY PERSON THAT GRANTS THE EXCHANGE A LICENSE TO USE ONE OR MORE INDEXES, TRADEMARKS OR PORTFOLIOS IN CONNECTION WITH THE TRADING OF FUTURES ON AN INDEX OR AN EXCHANGE-TRADED FUND BASED ON AN INDEX.

ANY SUCH INDEX LICENSOR SHALL OBTAIN INFORMATION FOR INCLUSION IN, OR FOR USE IN THE CALCULATION OF, SUCH INDEX FROM SOURCES IT BELIEVES TO BE RELIABLE, BUT DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INDEX, ANY OPENING, INTRA-DAY OR CLOSING VALUE THEREFOR, OR ANY DATA INCLUDED THEREIN OR RELATED THERETO. ANY SUCH INDEX LICENSOR HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO ANY SUCH INDEX, ANY OPENING, INTRA-DAY OR CLOSING VALUE THEREFOR, ANY DATA INCLUDED THEREIN OR RELATING THERETO, OR ANY FUTURE BASED ON A NARROW-BASED SECURITY INDEX OR FUTURES ON EXCHANGE-TRADED FUNDS BASED ON AN INDEX. ANY SUCH INDEX LICENSOR SHALL HAVE NO LIABILITY FOR ANY DAMAGES (INCLUDING SPECIAL OR PUNITIVE DAMAGES), CLAIMS, LOSSES (INCLUDING ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL LOSSES OR LOST PROFITS), EXPENSES OR DELAYS, WHETHER DIRECT OR INDIRECT, FORESEEN OR UNFORESEEN, SUFFERED BY ANY PERSON ARISING OUT OF ANY CIRCUMSTANCE OR OCCURRENCE RELATING TO SUCH PERSON'S USE OF SUCH INDEX, ANY OPENING, INTRA-DAY OR CLOSING VALUE THEREFOR, ANY DATA INCLUDED THEREIN OR RELATING THERETO, OR ANY FUTURES ON EXCHANGE-TRADED FUNDS BASED ON AN INDEX OR A NARROW-BASED SECURITY INDEX, OR ARISING OUT OF ANY ERRORS, OMISSIONS, INTERRUPTIONS OR DELAYS IN CALCULATING OR DISSEMINATING SUCH INDEX.

(d) ANY DISPUTE ARISING OUT OF THE USE OF THE ONECHICAGO SYSTEM, OR ANY EXCHANGE SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEM OR SERVICES, IN WHICH ANY OF THE EXCHANGE, ITS AFFILIATES OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, INDEX LICENSORS, VENDORS, OWNERS, CLEARING MEMBERS OR EXCHANGE MEMBERS IS A PARTY SHALL BE ARBITRATED IN ACCORDANCE WITH THE RULES INCORPORATED BY REFERENCE INTO RULE 801. ANY OTHER ACTION, SUIT OR PROCEEDING AGAINST ANY OF THE AFOREMENTIONED PERSONS SHALL BE BROUGHT WITHIN TWO YEARS FROM THE TIME THAT A CAUSE OF ACTION FIRST AROSE. THIS PARAGRAPH (d) SHALL IN NO WAY BE CONSTRUED TO LIMIT ANY PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO PROVE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE ANY ACTION, SUIT OR PROCEEDING THAT WOULD OTHERWISE BE PROHIBITED BY THE RULES OF THE EXCHANGE. IF FOR ANY REASON A COURT OF COMPETENT JURISDICTION FINDS THAT ANY SUCH DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY ONLY BE LITIGATED IN THE COUNTY OF COOK IN THE STATE OF ILLINOIS AND SHALL BE GOVERNED BY THE LAWS

OF THE STATE OF ILLINOIS WITHOUT REGARD TO ANY PROVISIONS OF ILLINOIS LAW THAT WOULD APPLY THE SUBSTANTIVE LAW OF A DIFFERENT JURISDICTION.

(e) NOTWITHSTANDING ANYTHING IN PARAGRAPHS (a), (b), (c) OR (d) ABOVE TO THE CONTRARY, IF THE NEGLIGENCE OF EXCHANGE PERSONNEL, OR ANY OTHER CAUSE, AS DETERMINED IN THE SOLE JUDGMENT OF THE EXCHANGE, CAUSES A DIRECT, OUT-OF-POCKET LOSS TO ANY PERSON, THE EXCHANGE MAY, IN ITS SOLE DISCRETION, ASSUME RESPONSIBILITY FOR SUCH DIRECT LOSS, BUT ITS RESULTING OBLIGATIONS SHALL NOT EXCEED, WITH RESPECT TO ALL PERSONS SUFFERING SUCH LOSSES IN THE AGGREGATE: \$25,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED ON A SINGLE DAY AND \$50,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH. IF THE AGGREGATE AMOUNT OF ANY CLAIMS PURSUANT THIS PARAGRAPH (e) AT ANY TIME EXCEEDS ANY OF THE DOLLAR LIMITATIONS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, THE TOTAL AMOUNT THEN AVAILABLE SHALL BE ALLOCATED TO SUCH CLAIMS *PRO RATA*, BASED UPON THE RESPECTIVE AMOUNTS OF SUCH CLAIMS. ANY DISPUTED CLAIM PURSUANT TO THIS PARAGRAPH (e) SHALL BE ARBITRATED IN ACCORDANCE WITH THE RULES INCORPORATED BY REFERENCE INTO RULE 801. AN ASSUMPTION OF RESPONSIBILITY FOR DIRECT LOSS BY THE EXCHANGE MADE PURSUANT TO THIS PARAGRAPH (e) SHALL NOT SERVE AS AN ADMISSION OF NEGLIGENCE OR FAULT OF THE EXCHANGE.

423. Transfer of Trades *

(a) Subject to the limitations of 424, existing trades may be transferred either on the books of a clearing member or from one clearing member to another clearing member provided:

(i) The transfer merely constitutes a change from one account to another account provided the underlying beneficial ownership in said accounts remains the same; or

(ii) An error has been made in the reporting or clearing of a trade and the error is discovered and the transfer is completed within two business days after the trade date, subject to Section (c), below.

(b) Subject to the limitations of Rule 424, the Exchange may, upon request by the clearing member(s), approve a transfer of existing trades either on the books of the same clearing member, or from the books of one clearing member to the books of another clearing member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-

recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

(c) Exchange staff may, with the consent of the clearing member(s) involved, permit the transfer of existing trades if, in the Exchange's opinion, the situation so requires and such transfer is in the best interests of the Exchange.

(d) Provided that the transfer is permitted pursuant to Sections A., B. or C. above, the transactions must be recorded and carried on the books of the receiving firm at the original trade dates. Transactions may be transferred using either the original trade price or the most recent settlement price.

(e) All transfers shall be reported to the clearing corporation in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The clearing members involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

* Added on November 30, 2009

424. Concurrent Long and Short Positions

(a) Concurrent long and short positions in the same commodity and month may be held by a clearing member at the direction of a customer or on behalf of an omnibus account; however it shall be the duty of the clearing member to ascertain whether such positions are intended for offset or to be held open prior to final transmission of position data to the Clearing Corporation.

(b) Clearing members who, pursuant to this rule, carry concurrent long and short positions must report to the Exchange both sides as open positions.

(c) The Exchange takes no position regarding the internal bookkeeping procedures of its clearing members that, for the convenience of a customer, may "hold open" a position only on their books. However, the clearing member must accurately report to the Exchange and the Clearing Corporation, as appropriate, large trader positions, long positions eligible for delivery and open interest.

CHAPTER 5
OBLIGATIONS OF CLEARING MEMBERS,
EXCHANGE MEMBERS AND ACCESS PERSONS

Recordkeeping

501. Books and Records

Each Clearing Member, Exchange Member and Access Person shall prepare and keep current all books, ledgers and other similar records required to be kept by it pursuant to the CEA, Commission Regulations, the Exchange Act, Exchange Act Regulations and the Rules of the Exchange, and shall prepare and keep current such other books and records and adopt such forms as the Exchange may from time to time prescribe. Such books and records shall be made available to the Exchange upon request.

502. Inspection and Delivery

Each Clearing Member, Exchange Member and Access Person shall keep all books and records required to be kept by it pursuant to the Rules of the Exchange for a period of five years from the date on which they are first prepared, unless otherwise provided in the Rules of the Exchange or required by law. Such books and records shall be readily accessible during the first two years of such five-year period. During such five-year period, all such books and records shall be made available for inspection by, and copies thereof shall be delivered to, the Exchange and its authorized representatives upon request.

Financial Requirements

503. Minimum Financial and Related Reporting Requirements

Each Clearing Member, Exchange Member and Access Person that is registered with any self-regulatory association shall comply with the provisions of Applicable Law relating to minimum financial and related reporting and recordkeeping requirements. A copy of any notice or written report that a Clearing Member or, if applicable, Exchange Member or Access Person is required to file with the Commission pursuant to Commission Regulation § 1.12 or with the Securities and Exchange Commission pursuant to Exchange Act Regulation § 17a-11 shall be concurrently provided to the Exchange. A Clearing Member or, if applicable, Exchange Member or Access Person that violates any of the aforementioned Commission Regulations or Exchange Act Regulations shall be deemed to have violated this Rule 503.

504. Authority to Impose Restrictions

Whenever a Clearing Member or, if applicable, Exchange Member or Access Person is subject to the early warning requirements set forth in Commission Regulation § 1.12 or Exchange Act Regulation § 17a-11, the Chief Executive Officer, or

his or her designee, may impose such conditions or restrictions on the business and operations of such Clearing Member, Exchange Member or Access Person as the Chief Executive Officer, or his or her designee, may deem necessary or appropriate for the protection of Customers, other Clearing Members, Exchange Members, Access Persons or the Exchange.

505. Treatment of Customer Funds and Securities

Each Clearing Member, Exchange Member or Access Person that is required to be registered with any self-regulatory association shall comply with the provisions of Applicable Law relating to the treatment of Customer funds and the maintenance of books and records with respect thereto. Any Clearing Member or, if applicable, Exchange Member or Access Person that violates any of the aforementioned Commission Regulations shall be deemed to have violated this Rule 505.

506. Additional Minimum Financial Requirements

(a) In addition to the minimum financial requirements that a Clearing Member or, if applicable, Exchange Member or Access Person that is registered with the NFA as a futures commission merchant or introducing broker must satisfy, each Clearing Member, Exchange Member or Access Person shall be required to satisfy such minimum financial requirements, and comply with such obligations related thereto, as may be established from time to time by the Exchange.

(b) A Clearing Member, Exchange Member or Access Person must notify the Chief Executive Officer, or his or her designee, immediately upon becoming aware that it fails to satisfy the minimum financial requirements applicable to it.

(c) Unless and until a Clearing Member, Exchange Member or Access Person is able to demonstrate to the Exchange that it is in compliance with the minimum financial requirements applicable to it, such Clearing Member, Exchange Member or Access Person may not engage in any transactions subject to the Rules of the Exchange, except for the purpose of closing open positions.

Customer Protection

507. Registration

(a) No Clearing Member or Exchange Member (including any Related Party of either) or Access Person may solicit or accept from any other Person an Order for the purchase or sale of any Contract, unless such Clearing Member, Exchange Member, Related Party or Access Person is registered in any required capacity in accordance with Applicable Law.

(b) Any Clearing Member, Exchange Member or Access Person that is required to be registered as a futures commission merchant, an introducing broker, a broker or a dealer shall comply with the provisions of Commission Regulation § 41.42(a) or Exchange Act Regulation § 15c3-3, as applicable.

508. Confirmations

Each Clearing Member or, if applicable, Exchange Member or Access Person that enters into a trade on behalf of a Customer shall promptly furnish, or cause to be furnished, to such Customer, no later than the Business Day immediately following the day on which such trade is entered into, a written confirmation of such trade in such form as the Exchange may from time to time prescribe, indicating the Contract bought or sold, the price and the quantity.

509. Customer Statements

Each Clearing Member or, if applicable, Exchange Member or Access Person that enters into trades on behalf of Customers shall furnish, or cause to be furnished, as soon as practicable after the end of each month, a monthly statement of account to each of its Customers, in accordance with applicable Commission Regulations or Exchange Act Regulations.

510. Risk Disclosure Statement*

In accordance with applicable requirements of the NFA (in the case of any Clearing Member, Exchange Member or Access Person that is registered with the NFA) or Financial Industry Regulatory Authority, Inc. (FINRA) (in the case of any Clearing Member, Exchange Member or Access Person that is registered with the FINRA), each Clearing Member or, if applicable, Exchange Member or Access Person shall provide its Customers with a written disclosure statement in the form approved by the Exchange for purposes of Commission Regulations § 1.55 and § 41.42(b) and any other disclosure statement from time to time required by the Exchange.

* Amended on December 2, 2011

511. Fraudulent or Misleading Communications

No Clearing Member or, if applicable, Exchange Member or Access Person shall make any fraudulent or misleading communications relating to the purchase or sale of any Contract.

512. Responsibility for Customer Orders

(a) Clearing Members and, if applicable, Exchange Members and Access Persons handling Orders for Customers shall exercise due diligence in the handling and execution of such Orders. Failure to act with due diligence shall constitute negligence.

Clearing Members and, if applicable, Exchange Members and Access Persons are prohibited from directly or indirectly guaranteeing the execution of an Order or any of its terms (such as the quantity or price); *provided* that this sentence shall not be construed to prevent any Clearing Member or, if applicable, Exchange Member or Access Person from assuming or sharing in any losses resulting from an error or the mishandling of an Order.

(b) A Clearing Member or, if applicable, Exchange Member or Access Person, shall not adjust the price at which an Order was executed or be held responsible for executing or failing to execute an Order unless such Clearing Member, Exchange Member or Access Person was negligent or is settling a *bona fide* dispute regarding negligence.

System Security

513. System Security

(a) Each Clearing Member and Exchange Member shall at all times have at least one employee or agent (the “Responsible Administrator”) designated as its administrator with respect to the use of the OneChicago System by it (including its Related Parties) or, in the case of a Clearing Member only, the Access Persons that such Clearing Member has permitted to act as such. Each Responsible Administrator must be approved in advance by the Exchange, based upon such qualification standards as may from time to time be set by the Exchange for such purpose. Among other things, each Responsible Administrator shall (i) have full control over access to the OneChicago System by such Clearing Member, Exchange Member or, if applicable, Access Persons and (ii) be able to access, and, if required, modify and withdraw, any and all Orders placed, or purported to be placed, by such Clearing Member, Exchange Member or, if applicable, Access Persons. The Responsible Administrator or Responsible Administrators of any Clearing Member or Exchange Member shall also be solely responsible for any and all communications between the Exchange and such Clearing Member or Exchange Member and any and all notices or other communications sent to such Responsible Administrator or Responsible Administrators by the Exchange shall be binding on such Clearing Member or Exchange Member. Each Clearing Member and Exchange Member shall notify the Exchange promptly of any change regarding any of its Responsible Administrators.

(b) Each Clearing Member and Exchange Member shall be solely responsible for controlling and monitoring the use of all user identification codes and passwords to access the OneChicago System (collectively, “Passwords”) issued to its Responsible Administrator or Responsible Administrators by the Exchange, shall provide the Passwords only to its employees or, in the case of a Clearing Member only, the Access Persons that such Clearing Member has permitted to act as such, and shall notify the

Exchange promptly upon becoming aware of any unauthorized disclosure or use of the Passwords or access to the Exchange or of any other reason for deactivating Passwords. Each Clearing Member and Exchange Member shall be bound by any actions taken through the use of its Passwords (other than any such actions resulting from the fault or negligence of the Exchange), including the placing of Orders by any of its Related Parties or, in the case of a Clearing Member only, the Access Persons that such Clearing Member has permitted to act as such, whether or not such actions were authorized by such Clearing Member or Exchange Member or any of its Related Parties.

(c) Each Clearing Member and Exchange Member shall be solely responsible for ensuring that the connection point for any OneChicago Workstation used by its employees or, in the case of a Clearing Member only, the Access Persons that such Clearing Member has permitted to act as such is in the United States, except as otherwise expressly permitted by the Exchange. To the extent necessary to ensure the operational integrity of the OneChicago System, the Exchange may at any time limit the locations of any or all OneChicago Workstations to specified locations, and each Clearing Member and Exchange Member shall ensure prompt compliance by its employees and, in the case of a Clearing Member only, the Access Persons that such Clearing Member has permitted to act as such with any such limitation.

Market Making

514. Market Maker Programs

The Exchange may from time to time adopt one or more programs under which one or more Clearing Members or Exchange Members may be designated as market makers with respect to one or more Contracts in order to provide liquidity and orderliness in the market or markets for such Contract or Contracts. Any such program may provide for any or all of the following:

- (a) qualifications, including any minimum net capital requirements, that any such market maker must satisfy;
- (b) the procedure by which Clearing Members or Exchange Members may seek and receive designation as market makers;
- (c) the obligations of such market makers, including any applicable minimum bid and offer commitments; and
- (d) the benefits accruing to such market makers, including priority in the execution of transactions effected by Clearing Members or Exchange Members in their capacity as market makers, reduced transaction fees or the receipt of compensatory payments from the Exchange.

Without limiting the generality of the foregoing, the Exchange may adopt a program under which one or more Clearing Members or Exchange Members may be designated as

lead market makers, and as such, allocated certain numbers and types of Contracts with respect to which they are required to make two-sided markets.

Customer Margin Requirements

515. General Requirements; Offsetting Positions; Exclusion for Market Makers

(a) *Scope of Rule.* This Rule 515 shall apply to positions resulting from transactions in Contracts traded on the Exchange or subject to the Rules of the Exchange to the extent that such positions are held by Clearing Members or, if applicable, Exchange Members on behalf of Customers in futures accounts (as such term is defined in Commission Regulation § 1.3(vv) and Exchange Act Regulation 15c3-3(a)), with paragraph (n) of this Rule 515 also applying to such positions held in securities accounts (as such term is defined in Commission Regulation § 1.3(ww) and Exchange Act Regulation 15c3-3(a)). As used in this Rule 515, the term “Customer” does not include (i) any exempted person (as such term is defined in Commission Regulation § 41.43(a)(9) and Exchange Act Regulation 401(a)(9)) and (ii) any Market Maker (as such term is defined in paragraph (n) below). Nothing in this Rule 515 shall alter the obligation of each Clearing Member and, if applicable, Exchange Member to comply with Applicable Law relating to customer margin for transactions in Single Stock Futures and Stock Index Futures, including without limitation Commission Regulations §§ 41.42 through 41.49 or Rules 400 through 406 under the Exchange Act, as applicable (including in each case any successor regulations or rules).

(b) *Margin System.* The Standard Portfolio Analysis of Risk (SPAN[®]) is the margin system adopted by the Exchange. SPAN[®] generated margin requirements shall constitute Exchange margin requirements. All references to margin in the Rules of the Exchange shall be to margin computed on the basis of SPAN[®]. Margin systems other than SPAN[®] may be used to meet Exchange margin requirements if the relevant Clearing Member or, if applicable, Exchange Member can demonstrate that its margin system will result in margin requirements that are in all cases equal to or greater than the corresponding requirements determined on the basis of SPAN[®].

(c) *Margin Rate.* The Exchange will set and publish the initial and maintenance margin rates to be used in determining Exchange margin requirements; *provided* that in no case shall the required margin for any long or short position held by a Clearing Member or, if applicable, Exchange Member on behalf of a Customer be less than 20% of the current market value of the relevant Contract (or such other rate from time to time determined by the Commission and the Securities and Exchange Commission for purposes of Commission Regulation § 41.45(b)(1) and Rule 403(b)(1) under the Exchange Act) unless a lower margin level is available for such position pursuant to paragraph (m) below.

(d) *Acceptable Margin Deposits.*

(i) Clearing Members and, if applicable, Exchange Members may accept from their Customers as margin deposits of cash, margin securities (subject to the limitations set forth in the following sentence), exempted securities, any other assets permitted under Regulation T of the Board of Governors of the Federal Reserve System (as in effect from time to time) to satisfy a margin deficiency in a securities margin account, and any combination of the foregoing, each as valued in accordance with Commission Regulation § 41.46(c) and (e) or Rule 404(c) under the Exchange Act, as applicable. Shares of a money market mutual fund that meet the requirements of Commission Regulation § 1.25 may be accepted as a margin deposit from a Customer for purposes of this Rule 515.

(ii) A Clearing Member or, if applicable, Exchange Member shall not accept as margin from any Customer securities that have been issued by such Customer or an Affiliate of such Customer unless such Clearing Member or Exchange Member files a petition with and receives permission from the Exchange for such purpose.

(iii) All assets deposited by a Customer to meet margin requirements must be and remain unencumbered by third party claims against the depositing Customer.

(iv) Except to the extent prescribed otherwise by the Exchange, cash margin deposits shall be valued at market value and all other margin deposits shall be valued at an amount not to exceed that set forth in Commission Regulations §§ 41.42 through 41.49 or Rules 400 through 406 under the Exchange Act, as applicable (including in each case any successor regulations or rules).

(e) *Acceptance of Orders.* Clearing Members and, if applicable, Exchange Members may accept Orders for a particular Customer account only if sufficient margin is on deposit in such account or is forthcoming within a reasonable period of time (which shall be no more than five Business Days, although the relevant Clearing Member or, if applicable, Exchange Member may deem one hour to be a reasonable period of time). For a Customer account that has been subject to calls for margin for an unreasonable period of time, Clearing Members and, if applicable, Exchange Members may only accept Orders that, when executed, will reduce the margin requirements resulting from the existing positions in such account. Clearing Members and, if applicable, Exchange Members may not accept Orders for a Customer account that would liquidate to a deficit or that has a debit balance.

(f) *Margin Calls.* Clearing Members and, if applicable, Exchange Members must call for margin from a particular Customer:

(i) when the margin equity on deposit in such Customer's account falls below the applicable maintenance margin requirement; or

(ii) subsequently, when the margin equity on deposit in such Customer's account, together with any outstanding margin calls, is less than the applicable maintenance margin requirement.

Any such call must be made within one Business Day after the occurrence of the event giving rise to such call. Clearing Members and, if applicable, Exchange Members may call for additional margin at their discretion.

Clearing Members and, if applicable, Exchange Members shall reduce any call for margin only to the extent that margin deposits permitted under paragraph (d) above are received in the relevant account. Clearing Members and, if applicable, Exchange Members may delete any call for margin only if (i) margin deposits permitted under paragraph (d) above equal to or in excess of the deposits called are received in the relevant account or (ii) inter-day favorable market movements or the liquidation of positions result in the margin on deposit in the relevant account being equal to or greater than the applicable initial margin requirement. In the event of any such reduction or deletion, the oldest outstanding margin call shall be reduced or deleted first.

Clearing Members and, if applicable, Exchange Members, shall maintain written records of any and all margin calls issued, reduced or deleted by them.

(g) *Disbursements of Excess Margin.* Clearing Members and, if applicable, Exchange Members may release to Customers margin on deposit in any account only to the extent that such margin is in excess of the applicable initial margin requirement under this Rule 515 and any other applicable margin requirement.

(h) *Loans to Customers.* Clearing Members and, if applicable, Exchange Members may not extend loans to Customers for margin purposes unless such loans are secured within the meaning of Commission Regulation § 1.17(c)(3). The proceeds of any such loan must be treated in accordance with Commission Regulation § 1.30.

(i) *Aggregation of Accounts and Positions.* For purposes of determining margin requirements under this Rule 515, Clearing Members and, if applicable, Exchange Members shall aggregate accounts under identical ownership if such accounts fall within the same classifications of customer segregated, customer secured, special reserve account for the exclusive benefit of customers and non-segregated for margin purposes. Clearing Members and, if applicable, Exchange Members may compute margin requirements for identically owned concurrent long and short positions on a net basis.

(j) *Omnibus Accounts.* Clearing Members and, if applicable, Exchange Members shall collect margin on a gross basis for positions held in

domestic and foreign omnibus accounts. For omnibus accounts, initial margin requirements shall equal the corresponding maintenance margin requirements. Clearing Members and, if applicable, Exchange Members shall obtain and maintain written instructions from domestic and foreign omnibus accounts for positions that are eligible for offsets pursuant to paragraph (m) below.

(k) *Liquidation of Positions.* If a Customer fails to comply with a margin call required by Commission Regulations §§ 41.42 through 41.49 or Rules 400 through 406 under the Exchange Act, as applicable, within a reasonable period of time (which shall be no more than five Business Days, although the relevant Clearing Member or, if applicable, Exchange Member may deem one hour to be a reasonable period of time), the relevant Clearing Member or, if applicable, Exchange Member may liquidate positions in such Customer's account to ensure compliance with the applicable margin requirements.

(l) *Failure to Maintain Required Margin.* If a Clearing Member or, if applicable, Exchange Member fails to maintain sufficient margin for any Customer account in accordance with this Rule 515, the Exchange may direct such Clearing Member or Exchange Member to immediately liquidate all or any part of the positions in such account to eliminate the deficiency.

(m) *Offsetting Positions.* For purposes of Commission Regulation § 41.45(b)(2) and Rule 403(b)(2) under the Exchange Act, the initial and maintenance margin requirements for offsetting positions involving Single Stock Futures and Stock Index Futures, on the one hand, and related positions, on the other hand, are set at the levels specified in Schedule A to this Chapter 5.

(n) *Exclusion for Market Makers.*

(i) A Person shall be a "Market Maker" for purposes of this Rule 515, and shall be excluded from the requirements set forth in Commission Regulations §§ 41.42 through 41.49 and Rules 400 through 406 under the Exchange Act, as applicable, in accordance with Commission Regulation § 41.42(c)(2)(v) and Rule 400(c)(2)(v) under the Exchange Act with respect to all trading in security futures (as such term is defined in Section 1a(31) of the CEA) for its own account, if such Person is an Exchange Member that is registered with the Exchange as a dealer (as such term is defined in Section 3(a)(5) of the Exchange Act) in security futures.

(ii) Each Market Maker shall:

(A) be registered as a floor trader or a floor broker with the Commission under Section 4f(a)(1) of the CEA or as a dealer with the Securities and Exchange Commission (or any successor agency or authority) under Section 15(b) of the Exchange Act;

(B) maintain records sufficient to prove compliance with the requirements set forth in this paragraph (n) and Commission Regulation § 41.42(c)(2)(v) or Rule 400(c)(2)(v) under the Exchange Act, as applicable, including without limitation trading account statements and other financial records sufficient to detail activity; and

(C) hold itself out as being willing to buy and sell security futures for its own account on a regular or continuous basis.

A Market Maker satisfies condition (C) above if:

(1) such Market Maker: (x) provides continuous two-sided quotations throughout the trading day for all delivery months of Contracts representing a meaningful proportion of the total trading volume on the Exchange, subject to relaxation during unusual market conditions as determined by the Exchange (such as a fast market in either a Contract or a security underlying such Contract) at which times such Market Maker must use its best efforts to quote continuously and competitively; and (y) when providing quotations, quotes with a maximum bid/ask spread of no more than the greater of \$5.00 or 150% of the bid/ask spread in the primary market for the security underlying each Contract; *

(2) such Market Maker: (x) responds to at least 75% of the requests for quotation for all delivery months of Contracts representing a meaningful proportion of the total trading volume on the Exchange, subject to relaxation during unusual market conditions as determined by the Exchange (such as a fast market in either a Contract or a security underlying such Contract) at which times such Market Maker must use its best efforts to quote competitively; and (y) when responding to requests for quotation, quotes within five seconds with a maximum bid/ask spread of no more than the greater of \$5.00 or 150% of the bid/ask spread in the primary market for the security underlying each Contract; or *

(3) (w) such Market Maker is assigned to a group of Contracts that is either unlimited in nature (“Unlimited Assignment”) or is assigned to no more than 20% of the Contracts listed on the Exchange (“Limited Assignment”); (x) at least 75% of such Market Maker’s total trading activity in Exchange products is in its assigned Contracts, measured on a quarterly basis; (y) during at least 50% of the trading day such Market Maker has bids or offers in the market that are at or near the best market, except in unusual market conditions as determined by the Exchange (such as a fast market in either a Contract or a security underlying such Contract), with respect to at least 25% (in the case of an Unlimited

Assignment) or at least one (in the case of a Limited Assignment) of its assigned Contracts; and (z) the requirements set forth in clauses (x) and (y) are satisfied on at least 90% (in the case of an Unlimited Assignment) or 80% (in the case of a Limited Assignment) of the trading days in each calendar quarter.

For purposes of clauses (1) and (2) above, beginning on the 181st calendar day after the commencement of trading on the Exchange, a “meaningful proportion of the total trading volume on the Exchange” shall mean a minimum of 20% of such trading volume in the OneChicago contracts in which the market maker has been designated.

(iii) Any Market Maker that fails to comply with the Rules of the Exchange, Commission Regulations §§ 41.42 through 41.49 or Rules 400 through 406 under the Exchange Act, as applicable, shall be subject to disciplinary action in accordance with Chapter 7. Appropriate sanctions in the case of any such failure shall include, without limitation, a revocation of such Market Maker’s registration as a dealer in security futures pursuant to clause (i) above.

*Amended on June 10, 2009

516. Ownership and Control Reports

Clearing Members shall report to the Exchange in a form and manner prescribed by the Exchange reportable positions and related information relating to Exchange Contracts that Clearing Members are required to report to the Commission pursuant to Commission regulations.

Schedule A to Chapter 5*

Margin Levels for Offsetting Positions

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
1	Long security future (or basket of security futures representing each component of a narrow-based securities index¹) and long put option² on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus pay for the long put in full.	The lower of: (1) 10% of the aggregate exercise price ³ of the put plus the aggregate put out-of-the-money ⁴ amount, if any; or (2) 20% of the current market value of the long security future.

¹ Baskets of securities or security futures contracts must replicate the securities that comprise the index, and in the same proportion.

² Generally, for the purposes of these rules, unless otherwise specified, stock index warrants shall be treated as if they were index options.

³ “Aggregate exercise price,” with respect to an option or warrant based on an underlying security, means the exercise price of an option or warrant contract multiplied by the numbers of units of the underlying security covered by the option contract or warrant. “Aggregate exercise price” with respect to an index option, means the exercise price multiplied by the index multiplier. *See, e.g.*, NYSE Amex Rules 462 and 900C; CBOE Rule 12.3; and FINRA Rule 4210.

⁴ “Out-of-the-money” amounts shall be determined as follows:

- (1) for stock call options and warrants, any excess of the aggregate exercise price of the option or warrant over its current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System);
- (2) for stock put options or warrants, any excess of the current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System) of the option or warrant over its aggregate exercise price;
- (3) for stock index call options and warrants, any excess of the aggregate exercise price of the option or warrant over the product of the current index value and the applicable index multiplier; and
- (4) for stock index put options and warrants, any excess of the product of the current index value and the applicable index multiplier over the aggregate exercise price of the option or warrant. *See, e.g.*, NYSE Rule 431 (Exchange Act Release No. 42011 (October 14, 1999), 64 FR 57172 (October 22, 1999) (order approving SR-NYSE-99-03)); NYSE Amex Rule 462 (Exchange Act Release No. 43582 (November 17, 2000), 65 FR 71151 (November 29, 2000) (order approving SR-Amex-99-27)); CBOE Rule 12.3 (Exchange Act Release No. 41658 (July 27, 1999), 64 FR 42736 (August 5, 1999) (order approving SR-CBOE-97-67)); or FINRA Rule 4210 (Exchange Act Release No. 36-62482 (July 12, 2010), 75 FR 41562 (July 16, 2010) (order approving SR-FINRA-2010-024)).

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
2	Short security future (or basket of security futures representing each component of a narrow-based securities index) and short put option on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any. Proceeds from the put sale may be applied.	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any. ⁵
3	Long security future and short position in the same security (or securities basket) underlying the security future	Individual stock or narrow-based security index	The initial margin required under Regulation T for the short stock or stocks.	5% of the current market value as defined in Regulation T of the stock or stocks underlying the security future.
4	Long security future (or basket of security futures representing each component of a narrow-based securities index) and short call option on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any. Proceeds from the call sale may be applied.	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any.
5	Long a basket of narrow-based security futures that together tracks a broad-based index and short a broad-based security index call option contract on the same index	Narrow-based security index	20% of the current market value of the long basket of narrow-based security futures, plus the aggregate call in-the-money amount, if any. Proceeds from the call sale may be applied.	20% of the current market value of the long basket of narrow-based security futures, plus the aggregate call in-the-money amount, if any.
6	Short a basket of narrow-based security futures that together tracks a broad-based security index and short a broad-based security index put option contract on the same index	Narrow-based security index	20% of the current market value of the short basket of narrow-based security futures, plus the aggregate put in-the-money amount, if any. Proceeds from the put sale may be applied.	20% of the current market value of the short basket of narrow-based security futures, plus the aggregate put in-the-money amount, if any.

⁵ “In-the-money” amounts must be determined as follows:

- (1) for stock call options and warrants, any excess of the current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System) of the option or warrant over its aggregate exercise price;
- (2) for stock put options or warrants, any excess of the aggregate exercise price of the option or warrant over its current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System);
- (3) for stock index call options and warrants, any excess of the product of the current index value and the applicable index multiplier over the aggregate exercise price of the option or warrant; and
- (4) for stock index put options and warrants, any excess of the aggregate exercise price of the option or warrant over the product of the current index value and the applicable index multiplier.

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
7	Long a basket of narrow-based security futures that together tracks a broad-based security index and long a broad-based security index put option contract on the same index	Narrow-based security index	20% of the current market value of the long basket of narrow-based security futures, plus pay for the long put in full.	The lower of: (1) 10% of the aggregate exercise price of the put, plus the aggregate put out-of-the-money amount, if any; or (2) 20% of the current market value of the long basket of security futures.
8	Short a basket of narrow-based security futures that together tracks a broad-based security index and long a broad-based security index call option contract on the same index	Narrow-based security index	20% of the current market value of the short basket of narrow-based security futures, plus pay for the long call in full.	The lower of: (1) 10% of the aggregate exercise price of the call, plus the aggregate call out-of-the-money amount, if any; or (2) 20% of the current market value of the short basket of security futures.
9	Long security future and short security future on the same underlying security (or index)	Individual stock or narrow-based security index	The greater of: 5% of the current market value of the long security future; or (2) 5% of the current market value of the short security future.	The greater of: 5% of the current market value of the long security future; or (2) 5% of the current market value of the short security future.
10	Long security future, long put option and short call option. The long security future, long put and short call must be on the same underlying security and the put and call must have the same exercise price. (Conversion)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any, plus pay for the put in full. Proceeds from the call sale may be applied.	10% of the aggregate exercise price, plus the aggregate call in-the-money amount, if any.
11	Long security future, long put option and short call option. The long security future, long put and short call must be on the same underlying security and the put exercise price must be below the call exercise price (Collar)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any, plus pay for the put in full. Proceeds from call sale may be applied.	The lower of: (1) 10% of the aggregate exercise price of the put plus the aggregate put out-of-the-money amount, if any; or (2) 20% of the aggregate exercise price of the call, plus the aggregate call in-the-money amount, if any.
12	Short security future and long position in the same security (or securities basket) underlying the security future	Individual stock or narrow-based security index	The initial margin required under Regulation T for the long stock or stocks.	5% of the current market value, as defined in Regulation T, of the long stock or stocks.
13	Short security future and long position in a security immediately convertible into the same security underlying the security future, without restriction, including the payment of money	Individual stock or narrow-based security index	The initial margin required under Regulation T for the long security.	10% of the current market value, as defined in Regulation T, of the long security.
14	Short security future (or basket of security futures representing each component of a narrow-based securities index) and long call option or warrant on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the short security future, plus pay for the call in full.	The lower of: (1) 10% of the aggregate exercise price of the call, plus the aggregate call out-of-the-money amount, if any; or (2) 20% of the current market value of the short security future.

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
15	Short security future, Short put option and long call option. The short security future, short put and long call must be on the same underlying security and the put and call must have the same exercise price. (Reverse Conversion)	Individual stock or narrow-based security index	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any, plus pay for the call in full. Proceeds from put sale may be applied.	10% of the aggregate exercise price, plus the aggregate put in-the-money amount, if any.
16	Long (short) a basket of security futures, each based on a narrow-based security index that together tracks the broad-based index and short (long) a broad-based index future	Narrow-based security index	5% of the current market value for the long (short) basket of security futures.	5% of the current market value of the long (short) basket of security futures.
17	Long (short) a basket of security futures that together tracks a narrow-based index and short (long) a narrow-based index future	Individual stock and narrow-based security index	The greater of: (1) 5% of the current market value of the long security future(s); or (2) 5% of the current market value of the short security future(s).	The greater of: (1) 5% of the current market value of the long security future(s); or (2) 5% of the current market value of the short security future(s).
18	Long (short) a security future and short (long) an identical security future traded on a different market.⁶	Individual stock and narrow-based security index	The greater of: (1) 3% of the current market value of the long security future(s); or (2) 3% of the current market value of the short security future(s).	The greater of: (1) 3% of the current market value of the long security future(s); or (2) 3% of the current market value of the short security future(s).

*Amended on December 2, 2011

⁶ Two security futures will be considered “identical” for this purpose if they are issued by the same clearing agency or cleared and guaranteed by the same derivatives clearing organization, have identical contract specifications, and would offset each other at the clearing level.

CHAPTER 6 BUSINESS CONDUCT

601. Fraudulent Acts

No Clearing Member, Exchange Member (including their respective Related Parties) or Access Person, shall engage in, or attempt to engage in, any fraudulent act or engage in any scheme to defraud, deceive or trick, or use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud in connection with or related to any trade on or other activity related to the Exchange or the Clearing Corporation.

602. Fictitious Transactions

No Clearing Member, Exchange Member (including their respective Related Parties) or Access Person, shall create fictitious transactions or execute any Order for a fictitious transaction with knowledge of its nature.

603. Market Manipulation

Any manipulation of the market in any Contract is prohibited. Orders entered into the OneChicago System for the purpose of generating unnecessary volatility or creating a condition in which prices do not or will not reflect fair market values are prohibited and any Clearing Member, Exchange Member (including their respective Related Parties) or Access Person who makes or assists in entering any such Order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order, shall be deemed to have engaged in an act detrimental to the Exchange.

604. Adherence to Law

No Clearing Member, Exchange Member (including their respective Related Parties) or Access Person shall engage in conduct in violation of Applicable Laws, the Rules of the Exchange or the Rules of the Clearing Corporation (insofar as the Rules of the Clearing Corporation relate to the reporting or clearance of any transaction in Contracts).

605. Sales Practice Rules*

Without limiting the generality of Rule 604, each Clearing Member, Exchange Member (including its Related Parties) and Access Person shall comply with any and all sales practice rules (including those relating to bunched orders, opening and approval of accounts, suitability, use of discretion, supervision of accounts, risk disclosure document delivery, communications, monthly statements and confirmations, registration, qualification and continuing education, customer complaints and prohibition against guarantees and profit sharing) from time to time promulgated by the NFA (in the case of any Clearing Member, Exchange Member or Access Person that is registered with the NFA) or the Financial Industry Regulatory Authority, Inc. (in the case of any other

Clearing Member, Exchange Member or Access Person) with respect to security futures within the meaning of Section 1a(31) of the CEA, which rules are hereby incorporated by reference into this Rule 605.

*Amended on June 10, 2009

606. Prohibition of Misstatements

It shall be an offense to make any misstatement of a material fact to the Exchange, including the Board, any committee thereof or any director, officer or employee of the Exchange.

607. Use of Access Privileges

No Clearing Member, Exchange Member (including their respective Related Parties) or Access Person may use its Access Privileges or access the Exchange in any way which could be expected to bring disrepute upon such Clearing Member, Exchange Member, Access Person or the Exchange.

608. Acts Detrimental to the Exchange; Acts Inconsistent with Just and Equitable Principles of Trade

It shall be an offense to violate any Rule of the Exchange or Rule of the Clearing Corporation regulating the conduct or business of a Clearing Member, Exchange Member (including their respective Related Parties) or Access Person, or any agreement made with the Exchange, or to engage in any act detrimental to the Exchange or in conduct inconsistent with just and equitable principles of trade.

609. Supervision

(a) Each Clearing Member, Exchange Member, and Access Person shall be responsible for supervising its employees and agents in the conduct of their business relating to the Exchange so as to ensure compliance by such employees and agents with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law, and may be held accountable for the actions of such employees and agents.

(b) Each Clearing Member or, if applicable, Exchange Member or Access Person, shall be responsible for establishing, maintaining and administering reasonable written supervisory procedures to ensure that its employees, agents, and Customers comply with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law.

(c) Each Clearing Member or, if applicable, Exchange Member or Access Person, shall take appropriate action to correct a violation or prevent a potential violation of the Rules of the Exchange caused by a Customer of the Clearing Member, Exchange Member, or Access Person.

610. Priority of Customers' Orders

(a) No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its Related Parties) shall buy a Contract for a personal or proprietary account of such Clearing Member, Exchange Member or Access Person or for an account in which such Clearing Member, Exchange Member or Access Person has a proprietary interest, when such Clearing Member, Exchange Member or Access Person has in hand Orders to buy the same Contract for any other Person at the same price or at the market price. No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its Related Parties) shall sell a Contract for a personal or proprietary account of such Clearing Member, Exchange Member or Access Person or for an account in which such Clearing Member, Exchange Member or Access Person has a proprietary interest, when such Clearing Member, Exchange Member or Access Person has in hand Orders to sell the same Contract for any other Person at the same price or at the market price.

(b) No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its Related Parties) shall execute a discretionary Order for any Contract, including, without limitation, an Order allowing such Clearing Member, Exchange Member or Access Person (including in each case its Related Parties) discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other Clearing Member, Exchange Member or Access Person, when such Clearing Member, Exchange Member or Access Person has in hand any Customer Market Order for the same Contract open as to time and price. A Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its Related Parties) may trade for a personal or proprietary account of such Clearing Member, Exchange Member or Access Person, without violating this Rule 610, while holding any Customer Order for the same Contract open as to time and price, provided such Customer has previously consented thereto.

(c) A Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its Related Parties) entering Orders into the OneChicago System must enter all Customer Orders that the OneChicago System is capable of accepting before entering an Order for a personal or proprietary account of such Clearing Member, Exchange Member or Access Person, an account in which such Clearing Member, Exchange Member or Access Person has a proprietary interest or an Order for a discretionary account, including an Order allowing such Clearing Member, Exchange Member or Access Person discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other Clearing Member, Exchange Member or Access Person.

(d) For purposes of this Rule 610, no Clearing Member or, if applicable, Exchange Member or Access Person, in each case that consists of

more than one individual, shall be deemed to buy or sell a Contract or execute a discretionary Order if (i) such Clearing Member, Exchange Member or Access Person has in place appropriate “firewall” or separation of function procedures and (ii) the individual buying or selling the Contract or executing the discretionary Order in question has no direct knowledge of the Order to buy or sell the same Contract for any other Person at the same price or at the market price or of the Customer Order for the same Contract, as the case may be.

611. Trading Against Customers’ Orders

No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) shall enter into a transaction on behalf of a Customer in which such Clearing Member, Exchange Member or Access Person or any Person trading for an account in which such Clearing Member, Exchange Member or Access Person has a financial interest, intentionally assumes the opposite side of the transaction. The foregoing restriction shall not prohibit pre-execution discussions conducted in accordance with procedures established by the Exchange from time to time, and shall not apply to any Exchange of Future for Physical, any Block Trade or any transaction meeting all of the following criteria (or such other criteria as may be established by the Exchange from time to time):

(a) the Customer has previously consented to such transactions;

(b) the Clearing Member or if applicable, Exchange Member or Access Person (including in each case its employees and agents) has waited for a reasonable period of time, as determined by the Exchange, after first entering the Order received from the Customer into the OneChicago System before taking the opposite side of the transaction;

(c) the Clearing Member or, if applicable, Exchange Member or Access Person maintains a record that clearly identifies, by appropriate descriptive words, all such transactions, including the time of execution, commodity, date, price, quantity and delivery month; and

(d) the Clearing Member or, if applicable, Exchange Member or Access Person provides a copy of the record referred to in clause (c) above to the Exchange.

612. Withholding Orders

No Clearing Member, Exchange Member or Access Person (including in each case its employees and agents) shall withhold or withdraw from the market any Order or any part of an Order, placed by any other Person for the benefit of such Clearing Member, Exchange Member or Access Person or for the benefit of any other Clearing Member, Exchange Member or Access Person.

613. Disclosing Orders

Except in accordance with any policies or procedures for pre-execution discussions from time to time adopted by the Exchange, no Clearing Member, Exchange Member or Access Person (including in each case its employees and agents) shall disclose to any Person any Order placed by any other Person, except to the Exchange or the Commission.

614. Pre-Arranged Trades

No Clearing Member, Exchange Member or Access Person (including in each case its employees and agents) shall enter any Order into the OneChicago System which has been pre-arranged, except as expressly permitted by Rules 416 and 417 or in accordance with any policies or procedures for pre-execution discussions from time to time adopted by the Exchange.

615. Simultaneous Buying and Selling Order

(a) No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) shall accept simultaneous buy and sell Orders from the same beneficial owner for the same delivery month of a particular Future.

(b) A Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) holding Orders to buy and sell at the same time from different beneficial owners for the same delivery month of a particular Future may enter both Orders into the OneChicago System.

616. Safe Harbor for Inadvertent Cross Trades

(a) An Entity acting as a market maker for any Exchange product (an “Exchange Market Maker”) may engage in Other Business Activities, or it may be affiliated with a broker-dealer that engages in Other Business Activities, and shall not be in violation of Exchange Rule 604 due to inadvertent cross trades with respect to any trades that are matched by the OneChicago System against trades entered for or on behalf of the Other Business Activities, provided that the Exchange Market Maker implements and maintains a Chinese Wall between its market-making operations and such Other Business Activities that meets the requirements below.

(b) Definitions: For purposes of this rule,

(1) “Other Business Activities” means:

(A) conducting an investment or banking or public securities business;

(B) making markets in the securities underlying the security futures or options on the securities or indexes underlying the security futures in which it makes markets; or

(C) entering agency orders or proprietary orders (other than market making transactions for Exchange products) into the OneChicago System.

(2) “Chinese Wall” means an organizational structure that satisfies each of the following conditions:

(A) The market-making activities are conducted in a location physically separated from the locations in which the Other Business Activities are conducted in a manner that effectively impedes communications between persons conducting the market-making function and persons conducting the Other Business Activities.

(B) Procedures are implemented and maintained to prevent persons in possession of material, non-public corporate or market information on one side of the Chinese Wall from divulging such information to persons on the other side of the Chinese Wall.

(C) Persons on one side of the Chinese Wall may not exercise influence or control over persons on the other side of the Chinese Wall, except that:

(i) the market-making operations and the Other Business Activities may be under common management provided such managerial oversight (a) does not conflict with or compromise the Entity’s responsibilities under the Rules of the Exchange and (b) persons occupying managerial positions do not divulge information or allow information to be divulged pertaining to market maker positions and trading activities to any other person so that any person on one side of the Chinese Wall becomes aware of pending or anticipated quotes or unfilled orders on the other side of the Chinese Wall; and

(ii) the common supervisor or any individual responsible for monitoring the overall risk exposure of the Entity (the “Risk Exposure Supervisor”) may establish general trading parameters with respect to both market-making and other proprietary trading other than on an order specific basis, provided that the Risk Exposure Supervisor does not:

(a) enter orders into the OneChicago System or make trading decisions for either the Entity's market-making account or proprietary account;

(b) provide to any person performing the Other Business Activities described in paragraph (b)(1)(c) of this Rule any information relating to market-making activity; nor

(c) provide a person performing the market-making function with information regarding the firm's pending transactions or order flow arising out of its activities described in paragraph (b)(1)(c) of this Rule.

(3) An "Entity" means an inanimate business organization, including a corporation, a partnership or other legal business organization. It does not include animate beings.

(c) An Entity implementing a Chinese Wall pursuant to this Rule shall submit to the Exchange a written statement setting forth:

(1) The manner in which it intends to satisfy the conditions in paragraph (b) of this Rule and the compliance and audit procedures it proposes to implement to ensure that the Chinese Wall is maintained;

(2) The names and titles of the person or persons responsible for maintenance and surveillance of the procedures;

(3) A commitment to provide the Exchange with such information and reports as the Exchange may request relating to the transactions of the Entity and its affiliates;

(4) A commitment to take appropriate disciplinary action against any person violating this Rule or the Entity's internal compliance and audit procedures adopted pursuant to subparagraph (c)(1) of this Rule, and an acknowledgement that the Exchange may take appropriate disciplinary action, including (without limitation) reallocation of any or all Contracts in which it serves as a market maker, in the event of such a violation;

(5) Whether the Entity or an affiliate of the Entity intends to clear the Entity's proprietary trades and, if so, the procedures established to ensure that information with respect to such clearing activities will not be used in a way that would compromise the Entity's Chinese Wall, which procedures, at a minimum, must be the same as those used by the Entity or the affiliate to clear for unaffiliated third parties; and

(6) An acknowledgement that any trading by a person while in possession of material, non-public information received as a result of the breach of the internal controls required under this Rule may be a violation of the CEA, the Commission's Regulations, the Exchange Act, the rules thereunder or the Rules of the Exchange.

(d) An Exchange Market Maker cannot avail itself of this Rule until it has received written confirmation from the Exchange that the organizational structure and the compliance and audit procedures described in the statement submitted by such Exchange Market Maker in accordance with paragraph (c) above comply with this Rule.

(e) Subparagraph (c)(5) permits an Entity or an affiliate of the Entity to clear the Entity's market maker transactions if it establishes procedures to ensure that information with respect to such clearing activities will not be used to compromise the Chinese Wall. Such procedures must provide that any information pertaining to market maker positions and trading activities, and information derived from any clearing and margin financing arrangements, may be made available only to those employees (other than employees actually performing clearing and margin functions) specifically authorized under this Rule to have access to such information or to other employees in senior management positions, including common management as described in clause (b)(2)(C)(i) of this Rule, who are involved in exercising managerial oversight with respect to the market making activity.

(f) Notwithstanding paragraph (a) of this Rule, an Entity shall not be required to maintain a Chinese Wall to obtain safe harbor from violating Rule 604 due to inadvertent cross trades under the following conditions:

(1) the Entity functions as a non-market maker Exchange Member in the OneChicago System solely in Contracts in which the Entity is not appointed as a market maker pursuant to Rule 515(n); and

(2) the Entity enters orders into the OneChicago System as a non-market maker Exchange Member only for (i) the proprietary account of such Entity or (ii) the account of entities that are affiliated with such Entity.

617. Disruptive Practices

No Clearing Member, Exchange Member, or Access Person shall:

(a) enter or cause to be entered an Order into the OneChicago System with the intent, at the time such Order was entered, to cancel the Order before execution or to modify the Order to avoid execution;

(b) enter or cause to be entered any message into the OneChicago System with the intent to mislead other market participants;

(c) enter or cause to be entered any message into the OneChicago System with the intent to overload, delay, or disrupt the OneChicago System or systems of other market participants; or

(d) enter or cause to be entered any message with the intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions on the OneChicago Systems.

618. Wash Trades

No Clearing Member, Exchange Member (including their respective Related Parties) or Access Person shall place or accept buy and sell orders in the same Contract and expiration, where the Clearing Member, Exchange Member (including their respective Related Parties) or Access Person knows or should know that the purpose of the orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash trades). Buy and sell orders for different accounts with common beneficial ownership that are entered with the intent to negate market risk or price competition shall also be deemed to violate the prohibition on wash trades. Additionally, no Clearing Member, Exchange Member (including their respective Related Parties) or Access Person shall knowingly execute or accommodate the execution of such orders by direct or indirect means.

619. Money Passes

No Clearing Member, Exchange Member (including their respective Related Parties) or Access Person shall prearrange the execution of transactions on the Exchange for the purpose of passing money between accounts. All transactions executed on the Exchange must be made in good faith for the purpose of executing bona fide transactions, and prearranged trades intended to effectuate a transfer of funds from one account to another are prohibited.

620. Accommodation Trading

No Clearing Member, Exchange Member (including their respective Related Parties) or Access Person shall enter into transactions on the Exchange for the purpose of assisting another Person to engage in transactions that are in violation of the Rules of the Exchange or Applicable Law.

621. Front-Running

No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its Related Parties) shall take a position in a Contract based upon non-public information regarding an impending transaction by another Person in the same or a related Contract, except as expressly permitted by Rules 416, 417 and 611 or in accordance with any policies or procedures for pre-execution discussions from time to time adopted by the Exchange.

CHAPTER 7 DISCIPLINE AND ENFORCEMENT

Introduction

The Board of the Exchange has adopted rules, and from time to time may adopt amendments or supplements to such rules, to assure a free and open market on the Exchange, to maintain proper and appropriate trading conduct and to provide protection to the public in its contacts with the Exchange, Clearing Members, Exchange Members or Access Persons. The Board has appointed officers and created the Regulatory Oversight Committee and the Disciplinary Committees to whom it has delegated responsibility for the investigation, hearing and imposition of penalties for violations of the Rules of the Exchange. In addition, the Board has delegated responsibility for the investigation and enforcement the Rules of the Exchange to the Chief Regulatory Officer and the Compliance Department as set forth in this Chapter 7. The Chief Regulatory Officer shall have available, at all times, the facilities of the Exchange's Compliance Department (which may consist of Exchange staff or staff provided by any Affiliate of the Exchange or any third party with which the Exchange may have entered into a contractual arrangement for such purpose) (the "Department") to conduct investigations of rule violations and market conditions.

701. General

(a) All Members and other Access Persons shall be subject to the Exchange's jurisdiction. All Members and other Access Persons are subject to this Chapter 7 if they, or with respect to a An Access Person, any other Person using any of its User IDs, are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule of the Exchange or any provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction.

(b) The Exchange, through the facilities and staff of the Department, will conduct:

(i) Market surveillance and trade practice surveillance using data from the trading system with programs and procedures designed to alert the Exchange when potentially unusual trading activity takes place.

(ii) The Department will initiate reviews and, where appropriate, commence investigations of unusual trading activity or other activity that the Department has reasonable cause to believe could constitute a violation of these Rules.

(c) No member of the staff of the Exchange will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary

imposition of fines, summary suspension or other summary action. No member of the Board will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action with respect to which the Board member is not a member of the relevant appeals panel.

(d) Counsel may represent any Member or Access Person during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, and summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 7 provided that counsel may not be a member of the Board or disciplinary panel, any employee of the exchange or any person substantially related to the underlying investigation such as a material witness or respondent.

(e) Pursuant to this Chapter 7, the Exchange may hold a Member liable for, and impose sanctions against such Member for their own acts and omissions that constitute a violation as well as for the acts and omissions of each:

- (i) Access Person authorized by such Member,
- (ii) Other persons supervised by the Member,
- (iii) Other persons using a User ID of such Member or
- (iv) Other agents or representative of such Member, in each case, that constitutes a violation as if such violation were that of the Member.

(f) Pursuant to this Chapter 7, the Exchange may hold an Access Person liable for, and impose sanctions against him or her, for such Access Person's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Access Person that constitute a violation as if such violation were that of the Access Person.

(g) Pursuant to this Chapter 7 the Exchange may review an appeal by any applicant of the Exchange's decision to deny or otherwise limit Trading Privileges of such applicant pursuant to the Rules of the Exchange; provided, however, that any such decision by the Exchange to deny or otherwise limit applicant's Trading Privileges shall continue in effect during such review.

702. Inquiries and Investigation

(a) The Department will investigate any matter within the Exchange's disciplinary jurisdiction which it has reasonable cause to believe could constitute a violation of these Rules. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole

discretion and will function independently of any commercial interests of the Exchange.

(b) The Department has the authority to:

(i) Initiate and conduct inquiries and investigations;

(ii) Prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;

(iii) Prosecute alleged violations within the Exchange's disciplinary jurisdiction; and

(iv) Represent the Exchange on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

(c) Each Member or Access Person:

(i) Is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Department in connection with:

(A) Any Rule of the Exchange;

(B) Any inquiry or investigation; or

(C) Any preparation by and presentation during a disciplinary proceeding or appeal from a decision in a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Exchange;

(ii) Is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Department in connection with:

(A) Any Rule of the Exchange;

(B) Any inquiry or investigation; or

(C) Any preparation by and presentation during a disciplinary proceeding or appeal from a decision in any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Exchange; and

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

703. Reports of Investigations

(a) The Department will maintain a log of all investigations commenced as a result of a determination made pursuant to Rule 702 (a) above, and their disposition. The Department will prepare a written report of each investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) Any written report of an investigation will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, and the recommendation of the Department. For each potential respondent, the Department will recommend either

- (i) Closing the investigation without further action,
- (ii) Summary action,
- (iii) Resolving the investigation through an informal disposition, including the issuance of a warning letter or
- (iv) Initiating disciplinary proceedings.

(c) An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction.

704. Opportunity to Respond

(a) After completing its investigation report, the Department may, upon approval of the Chief Regulatory Officer, notify each potential respondent that the Department has recommended formal disciplinary charges against the potential respondent.

(b) The Department may allow a potential respondent to propose a settlement of the matter or to submit a written statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought. The potential respondent shall submit such written statement within the time limit established by the Department.

705. Review of Investigative Reports

(a) The Chief Regulatory Officer will review promptly each completed investigation report to determine whether a reasonable basis exists to

believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.

(b) If the Chief Regulatory Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur, the Chief Regulatory Officer will direct the Department to conduct further investigation.

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

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

(ii) The summary imposition of fines;

(iii) The informal disposition of the investigation (by issuing a warning letter or otherwise) because disciplinary proceedings are unwarranted in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Oversight Committee; or

(iv) The closing of the investigation without any action because no reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur in which case the Chief Regulatory Officer shall provide a written explanation to the Regulatory Oversight Committee.

706. Notice of Charges

(a) If the Chief Regulatory Officer authorizes disciplinary proceedings pursuant to Rule 705(c)(i), the Department will prepare, and serve in accordance with Rule 708, a notice of charges.

(b) A notice of charges will:

(i) State the acts, practices or conduct that the respondent is alleged to have engaged in;

(ii) State the Rule of the Exchange or provision of Applicable Law alleged to have been violated or about to be violated;

(iii) State the proposed sanctions;

(iv) Advise the respondent of its right to a hearing;

(v) State the period of time within which the respondent can request a hearing on the notice of charges, which will not be less than 20 days after service of the notice of charges;

(vi) Advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing; and

(vii) Advise the respondent that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted.

707. Answer to Notice of Charges

(a) If the respondent determines to answer a notice of charges, the respondent must file answers within 20 days after being served with such notice, or within such other time period determined appropriate by the hearings staff.

(b) To answer a notice of charges, the respondent must in writing:

(i) Specify the allegations that the respondent denies or admits;

(ii) Specify the allegations that the respondent does not have sufficient information to either deny or admit;

(iii) Specify any specific facts that contradict the notice of charges;

(iv) Specify any affirmative defenses to the notice of charges; and

(v) Sign and serve the answer on the hearings staff.

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

708. Service

Any notice of charges, any responses thereto, or other documents required to be served pursuant to this Chapter 7 will be delivered by electronic mail to the respondent at the address as it appears on the books and records of the Exchange or to the Exchange at enforcement@onechicago.com.

709. Settlements

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

(b) If a respondent or potential respondent submits an offer of settlement in accordance with paragraph (a) above, the Department will forward the offer to the Chief Regulatory Officer with a recommendation on whether to accept or reject the offer. Any preliminary determination by the Chief Regulatory Officer to accept the offer shall be submitted for review by the Regulatory Oversight Committee. If the Regulatory Oversight Committee agrees, then the Chief Regulatory Officer shall conditionally accept an offer of settlement, and that the settlement will become final upon the expiration of 20 days after an order of the disciplinary proceedings consistent with the terms of the offer of settlement is served on the respondent.

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

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

710. Disciplinary Panel

(a) A Disciplinary Panel will conduct hearings in connection with any disciplinary proceedings, to make findings and impose sanctions pursuant to this Chapter 7. A separate Disciplinary Panel will be established prior to the commencement of each disciplinary matter.

(b) Within 10 days of being notified of the appointment of the Disciplinary Panel, a respondent may seek to disqualify any individual named

to the Disciplinary Panel for the reasons identified in Rules of the Exchange or for any other reasonable grounds, by serving written notice on the Chief Regulatory Officer and providing a copy thereof to the hearings staff. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The Chief Regulatory Officer will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

711. Convening Hearings of Disciplinary Proceedings

(a) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 716) will be conducted at a hearing before the Disciplinary Panel. A hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality.

(b) After reasonable notice to each respondent, the Disciplinary Panel will promptly convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Department.

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

(d) Except for procedural and evidentiary matters decided by the chairman of the Disciplinary Panel pursuant to paragraph (c) above and Rule 712, unless each respondent otherwise consents, the entire Disciplinary Panel must be present (either in person or by electronic means) during the entire hearing and any related deliberations.

712. Respondent Review of Evidence.

(a) Prior to the commencement of a hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of the Exchange that the Department will use to support the allegations and proposed sanctions in the notice of charges or which the

chairman of the Disciplinary Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and the Exchange will have no obligation to disclose, any information protected by attorney-client privilege, any documents that were prepared by an Exchange employee but will not be entered into evidence in the disciplinary proceedings, any documents that may disclose techniques or guidelines used in examinations, investigations or enforcement proceedings or any documents that reveal a confidential source.

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

(c) Notwithstanding anything in paragraph (b) above to the contrary, the Department:

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

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

(d) Not less than ten days in advance of a scheduled hearing date, each party to the hearing shall furnish to each of the other parties copies of all exhibits and a list of the names of all witnesses such party intends to present at the hearing.

(e) For purposes of this Rule 712, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or liquidating positions, the identity of any Member or Access Person and the personal finances of the Person providing the information.

713. Conducting Hearings of Disciplinary Proceedings.

(a) At a hearing conducted in connection with any disciplinary proceedings, the Department will present its case supporting the allegations and proposed sanctions in the notice of charges to the Disciplinary Panel. If a respondent has timely filed an answer to the notice of charges in accordance with Rule 707, the respondent is entitled to attend and participate in the hearing.

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

- (i) Present evidence and facts determined relevant and admissible by the chairman of the Disciplinary Panel;
- (ii) Call and examine witnesses; and
- (iii) Cross-examine witnesses called by other parties.

(c) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the notice of charges are not expressly denied in the respondent's answer, the chairman of the Disciplinary Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the notice of charges, or otherwise) unless the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Disciplinary Panel will adjourn the hearing and direct the respondent to promptly file a written answer in accordance with Rule 707.

(d) Any Person entitled, or required or called upon, to attend a hearing before a Disciplinary Panel pursuant to paragraph (b)(ii) above will be given reasonable notice, confirmed in writing, specifying the date, time and place of the hearing, and the caption of the disciplinary proceedings. The Exchange will require all Members and Access Persons (that are individuals) that are called as witnesses to appear at the hearing and produce evidence. The Exchange will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(e) If during any disciplinary proceedings the Disciplinary Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule of the Exchange or a provision of Applicable Law other than the violations alleged in the notice of charges, the Disciplinary Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 707. In connection with considering apparent violations pursuant to this paragraph (e), the Disciplinary Panel may request that the Department provide the Disciplinary Panel with any additional information.

(f) The Disciplinary Panel may summarily impose sanctions on any Member or Access Person, which impedes or delays the progress of a hearing.

(g) The Exchange will arrange for any hearing conducted in connection with disciplinary proceedings (or any appeal therefrom pursuant to Rule 716 below) to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription, which will become part of the record of the proceedings. If the respondent requests a copy of all or portions of the recording of a hearing, the chairman of the Disciplinary Panel may within his or her sole discretion order the respondent to pay the costs for transcribing the recording of the hearing.

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

714. Decision of Disciplinary Panel

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

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

(i) The notice of charges or summary of the allegations;

(ii) The answer, if any, or a summary of the answer;

(iii) A summary of the evidence introduced at the hearing;

(iv) A statement of findings of fact and conclusions, and a complete explanation of the evidentiary and other basis for such findings and conclusions concerning each allegation, including each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated;

(v) A declaration of the imposition of sanctions, if any, and the effective date of each sanction; and

(vi) Notice of the respondent's right to appeal pursuant to Rule 716.

(c) Unless a timely notice of appeal is filed pursuant to Rule 716, the order of the disciplinary proceedings will become final upon the expiration of 20 days after the order is served on the respondent and a copy thereof is provided to the Department.

715. Sanctions

(a) After notice and opportunity for hearing in accordance with these Rules, the Exchange will impose sanctions if any Member or Access Person or other Person using any of the Members Ids, is found to have violated or to have attempted to violate a Rule of the Exchange or provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction. The Exchange may impose one or more of the following sanctions or remedies:

- (i) Censure;
- (ii) Limitation on Trading Privileges or other activities, functions or operations;
- (iii) Suspension of Trading Privileges for a period not to exceed 12 months;
- (iv) Fine (subject to paragraph (b) below);
- (v) Restitution or disgorgement;
- (vi) Termination of Trading Privileges; or
- (vii) Any other sanction or remedy deemed to be appropriate.

(b) The Exchange may impose a fine of up to \$500,000 for each violation. If a fine or other amount is not paid within 30 days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three percent. The Exchange has sole discretion to select the bank on whose quotations to base the prime rate. Each Member will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Access Persons. Any and all unpaid fines or other amounts imposed upon a Member will survive the Members transfer, termination or withdrawal.

(c) The sanctions must be sufficient to deter recidivism or similar violations by other market participants and must take into account the respondent's disciplinary history. In the event of demonstrated customer harm, any disciplinary sanction must also include full customer restitution, except where the amount of restitution, or to whom it should be provided, cannot be reasonably determined.

716. Appeal from Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions.

(a) Each respondent found by the Disciplinary Panel to have violated a Rule of the Exchange, a provision of Applicable Law, or who is subject to any summary fine imposed pursuant to Rule 717 or any summary action

imposed pursuant to Rule 718 may appeal the decision within 20 days of receiving the order of the disciplinary action or the notice of summary action, as the case may be, by filing a notice of appeal with the Chief Regulatory Officer. While an appeal is pending, the effect of the order of disciplinary proceedings or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended, except as provided in Rule 701(g) with respect to any denial or limit on Trading Privileges.

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

(i) The order or decision was arbitrary, capricious, an abuse of discretion, or not in accordance with the Rules of the Exchange;

(ii) The order or decision exceeded the authority or jurisdiction of the Disciplinary Panel, the Chief Regulatory Officer or the Exchange;

(iii) The order or decision failed to observe required procedures

(iv) The order or decision was unsupported by the facts or evidence; or

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

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

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

(e) Within 30 days after the last submission filed pursuant to paragraph (c) above, the Chief Regulatory Officer will request that the Regulatory Oversight Committee appoint an appeals panel, consisting of three Board Members (one of whom is a Public Director) (“Appeals Panel”) to

consider and determine the appeal. The Public Director will act as chairman of the Appeals Panel.

(f) The Appeals Panel may hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeals Panel may appoint an expert to attend any hearing and assist in the deliberations if such individuals agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeals Panel will not be bound by evidentiary or procedural rules or law.

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

(h) After completing its review, the Appeals Panel may affirm, modify or reverse any order of the disciplinary proceedings or summary action under appeal, in whole or in part, including increasing, decreasing sanction or remedy authorized by the Rules of the Exchange, or remanding the matter to the same or a different Disciplinary Panel for further disciplinary proceedings or for reconsideration by the Chief Regulatory Officer. The Appeals Panel may order a new hearing for good cause or if the Appeals Panel deems it appropriate.

(i) As promptly as reasonably possible following its review, the Appeals Panel will issue a written decision on appeal rendering its decision based on the weight of the evidence before the Appeals Panel. The decision of the Appeals Panel will include a statement of findings of fact and conclusions, and a complete explanation of the evidentiary and other basis for such finding and conclusions, and a complete explanation of the evidentiary and other basis for such finding and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the effective date of each sanction, remedy or cost.

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

717. Summary Imposition of Fines

(a) The Chief Regulatory Officer may, in consideration of the severity of the violation, summarily impose a fine against a Clearing Member, Exchange Member or Access Person for failing:

(i) To make timely payments of fees, costs, or charges to the Exchange or the Clearinghouse;

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense.....	\$2,500
Subsequent Offenses.....	\$5,000

(ii) To make timely and accurate submissions to the Exchange of notices, reports or other information required by the Rules of the Exchange;

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$2,500
Third Offense.....	\$5,000
Subsequent Offenses.....	Commencement of Disciplinary Proceedings

(iii) To keep any books and records required by the Rules of the Exchange;

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense.....	\$2,500
Subsequent Offenses.....	Commencement of Disciplinary Proceedings

(iv) To maintain front-end audit trail information for all electronic orders entered into the OneChicago System, including order modifications and cancellations (Rule 403(c));

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter

Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

(v) To comply with order form preparation and recordkeeping requirements relating to orders which cannot be immediately entered into the OneChicago System (Rule 403(b));

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

(vi) To comply with the exposure requirements related to pre-execution discussions;

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$10,000
Subsequent Offenses	\$15,000

(vii) To comply with Exchange of Future for Physical transaction reporting requirements;

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$7,500
Third Offense	\$15,000
Subsequent Offenses	Commencement of Disciplinary Proceedings

(viii) To identify correct account designation in order entry into the OneChicago System;

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

(ix) To comply with order marking requirement for block trades (Rule 417(c)) or Exchange of Future for Physical trades (Rule 416(c));

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

(x) To comply with block trade reporting requirements (Rule 417(c));

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$7,500
Third Offense	\$15,000
Subsequent Offenses	Commencement of Disciplinary Proceedings

(xi) To identify correct account type in order entry into the OneChicago System (Rule 403(a));

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

(xii) To timely correct an error in the handling of an order via transfer (Rule 423);

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

(xiii) To comply with reporting requirements for reportable positions; or

Number of Cumulative Violations in Any

<i>Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$2,500
Third Offense	\$5,000
Subsequent Offenses	Commencement of Disciplinary Proceedings

(xiv) To submit ownership and control reports (Rule 516);

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$2,500
Third Offense	\$5,000
Subsequent Offenses	Commencement of Disciplinary Proceedings

(b) The Department, acting on behalf of the Chief Regulatory Officer, will give notice of any fine imposed pursuant to this Rule 717 to each Member or Access Person subject thereto. The notice will specify

(i) The violations of the Rules of the Exchange for which the fine is being imposed,

(ii) The violation date and the amount of the fine.

(c) Within 20 days of serving the notice of fine, the Member or Access Person, as the case may be, must either pay or cause the payment of the fine or file notice of an appeal pursuant to Rule 716. Unless timely notice of appeal is filed pursuant to Rule 716, the fine will become final upon the expiration of 20 days after the notice of fine is served on the Member or Access Person, as the case may be.

(d) The Exchange will set the amount of any fines imposed pursuant to this Rule 717, with the maximum fine for each violation not to exceed \$15,000. Summary imposition of fines pursuant to this Rule 717 will not preclude the Exchange from bringing any other action against the Clearing Member, Exchange Member or Access Person, as the case may be.

718. Summary Suspensions and Other Summary Actions

(a) Notwithstanding anything in the Rules of the Exchange to the contrary, the Chief Regulatory Officer may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Member or Access Person, and may take other summary action against any member or Access Person in accordance with the Rules of the Exchange; provided, however, that the Chief Regulatory Officer must reasonably believe that the

business, conduct or activities of the Member or Access Person in question is not in the best interests of the Exchange or the marketplace, including based on any of the following:

- (i) Statutory disqualification from registration as provided in CEA Section 8a(2) or (3);
- (ii) Non-payment of fees, costs, charges, fines or arbitration awards; or
- (iii) The reasonable belief that immediate action is necessary to protect the public or the best interests of the Exchange.

(b) Whenever practicable, the Department, acting on behalf of the Chief Regulatory Officer, shall provide prior written notice to the party against whom any action in accordance with paragraph (a) shall be taken. If prior notice is not practicable, the Exchange will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The Department, acting on behalf of the Chief Regulatory Officer, will prepare a notice of summary action (which will state the action, the reasons for the action, and the effective time, date and duration of the action) and serve the notice on such party.

(c) Unless timely notice of appeal is filed pursuant to Rule 716, the summary action will become final upon the expiration of 20 days after the notice of action is served on the respondent.

(d) At the request of the Exchange, a respondent against whom a summary action is brought pursuant to this Rule 718 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before the Exchange in connection with the enforcement of any Rule of the Exchange.

(e) A respondent whose Trading Privileges are suspended, revoked, limited, conditioned, restricted or qualified pursuant to this Rule 718 may apply for reinstatement by filing with the Department a written request stating the applicant's reasons for seeking reinstatement. The Exchange will not consider a respondent's request for reinstatement if the respondent:

- (i) Owes any fines, fees, charges or costs to the Exchange,
- (ii) Continues to fail to appear at disciplinary proceedings without good cause or
- (iii) Continues to impede the progress of disciplinary proceedings.

(f) Within a reasonable period after the filing of a request for reinstatement, the Appeals Panel will conduct a hearing to consider the request. At the hearing for reinstatement, the respondent will present its, his or her case supporting the reinstatement and the Department, acting on behalf of the Chief Regulatory Officer may, in its discretion, present its case opposing or supporting the reinstatement and each may present relevant and admissible evidence and facts and call, examine and cross-examine witnesses. At the hearing for reinstatement, the Exchange may require any Member or Access Person to appear as witnesses and produce evidence if the Appeals Panel determines that the evidence is relevant.

(g) As promptly as reasonably possible after a reinstatement hearing, the Appeals Panel will issue an order reinstating, denying the reinstatement, or placing conditions on the reinstatement of the Trading Privileges of the respondent. The order will include a brief summary of the evidence introduced at the reinstatement hearing; and, if applicable, findings of fact and conclusions not contained in the notice of summary action issued pursuant to Rule 718(b) above. The Appeals Panel's order may not be appealed.

719. Rights and Responsibilities After Suspension or Termination

(a) When the Trading Privileges of a Member or Access Person are suspended for a period of 12 months or less, none of its rights and Trading Privileges (including the right to hold oneself out to the public as a Member or Access Person, enter Orders into the OneChicago System, and receive Member rates for fees, costs, and charges and deposit margin at Member levels) will apply during the period of the suspension, except for the right of the Member or Access Person in question to assert claims against others as provided in the Rules of the Exchange. Any such suspension will not affect the rights of creditors under the Rules of the Exchange or relieve the Member or Access Person in question of its, his or her obligations under the Rules of the Exchange to perform any Contracts entered into before the suspension, or for any Exchange fees, costs, or charges incurred during the suspension. The Exchange may discipline a suspended Member or Access Person under this Chapter 7 for any violation of a Rule of the Exchange or provision of Applicable Law committed by the Member or Access Person before, during or after the suspension.

(b) When the Trading Privileges of a Member or Access Person are terminated, all of its rights and Trading Privileges will terminate, except for the right of the Member or Access Person to assert claims against others, as provided in the Rules of the Exchange. Any such termination will not affect the rights of creditors under the Rules of the Exchange. A terminated Member or Access Person may only seek to reinstate its Membership and Access Privileges by applying pursuant to Chapter 3 of these Rules. The Exchange will not consider the application of a terminated Member or Access Person if such Member or Access Person, as the case may be, continues to fail to appear at

disciplinary proceedings without good cause or continues to impede the progress of disciplinary proceedings.

(c) A suspended or terminated Member or Access Person remains subject to the Rules of the Exchange and the jurisdiction of the Exchange for acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, investigation, disciplinary proceeding, appeal of disciplinary proceedings, summary suspension or other summary action as if the suspended or terminated Member or Access Person still had Trading Privileges.

720. Notice to the Respondent and the Public

The Exchange will provide written notice of disciplinary proceedings to the parties consistent with applicable CFTC Regulations and orders. Whenever the Exchange suspends, expels, fines or otherwise disciplines, or denies any person access, to the Exchange, the Exchange will make the public disclosures required by CFTC Regulations.

CHAPTER 8 ARBITRATION

801. Matters Subject to Arbitration; Incorporation by Reference

(a) Any dispute, claim or controversy between a Customer, on one hand, and a Clearing Member or Exchange Member (including the Related Parties of such Clearing Member or Exchange Member), on the other hand, in each case in connection with, or otherwise related to, the Exchange business of such parties, shall, at the request of any such party, be arbitrated before an arbitration committee or panel constituted in accordance with, and subject to, NFA's Code of Arbitration as in effect from time to time, which code is hereby incorporated by reference into this Chapter 8; *provided, however*, that a Customer which does not qualify as an eligible contract participant within the meaning of Section 1a(12) of the CEA shall not be subject to arbitration pursuant to this Chapter 8 without a prior written consent by such Customer given in accordance with Commission Regulation § 166.5(c).

(b) Any dispute, claim or controversy between or among Clearing Members and Exchange Members (including their respective Related Parties), in each case in connection with, or otherwise related to, the Exchange business of such parties, shall, at the request of any such party and upon the approval of the Chief Executive Officer, or his or her designee, be arbitrated before an arbitration committee or panel constituted in accordance with, and subject to, NFA's Member Arbitration Rules as in effect from time to time, which rules are hereby incorporated by reference into this Chapter 8.

(c) If a party to a dispute, in an answer, reply or other written response to a request for arbitration, challenges the appropriateness of submitting a matter to arbitration under this Chapter 8, the Chief Executive Officer, or his or her designee, shall serve upon the parties written notice of his or her decision to accept or reject the matter for arbitration. The decision by the Chief Executive Officer, or his or her designee, to accept or reject a matter for arbitration shall, at the request of any party to the dispute, be subject to review by the Board or a panel of the Board composed of at least three directors. Requests for review must be submitted to the Chief Executive Officer, or his or her designee, within 10 calendar days from receipt of notice of the decision by the Chief Executive Officer, or his or her designee.

802. Failure to Honor Award or Settlement

Any Clearing Member, Exchange Member or Access Person who fails to honor an arbitral award or settlement rendered under this Chapter 8 shall be subject to disciplinary proceedings in accordance with Chapter 7.

CHAPTER 9 SINGLE STOCK FUTURES

901. Scope of Chapter

This Chapter 9 is limited in application to trading in any Contract that is a security future (as such term is defined in Section 1a(31) of the CEA) based on a single security (each, a “Single Stock Future”). The procedures for trading, clearing and settlement, and any other matters not specifically covered herein, shall be governed by the other Rules of the Exchange.

902. Contract Specifications

(a) *Specifications Supplements.* The general specifications set forth in this Rule 902 shall be subject to, and qualified by, the specific terms applicable to trading, clearing or settlement of particular Single Stock Futures, as provided in supplements (each, a “Specifications Supplement”) from time to time adopted by the Exchange. Each Specifications Supplement for a Single Stock Future shall be substantially in the form set forth in Rule 905 or such other form as the Exchange may from time to time approve. No Specifications Supplement shall become effective until the Exchange has submitted to the Commission (i) a certification satisfying the requirements set forth in Commission Regulation § 41.22 and (ii) a filing satisfying the requirements set forth in Commission Regulation § 41.23, with respect to the Single Stock Future to which it relates.

(b) *Underlying Securities.* Each Single Stock Futures shall be based on an underlying security (the “Underlying Security”), which satisfies the requirements set forth in Commission Regulations § 41.21(a), as may be determined from time to time by the Exchange.

(c) *Trading Hours; Delivery Months and Termination Dates.* Single Stock Futures shall be traded during such hours, for delivery in such months, and shall terminate on such dates, as may be determined from time to time by the Exchange. *,***

(d) *Trading Units.* Each Single Stock Future shall represent 100 shares of the Underlying Security, or as otherwise stated by the Exchange.

(e) *Minimum Price Fluctuations.* The minimum price fluctuation for each Single Stock Futures shall be \$0.0001 per share, which is equal to \$0.01 per Contract.

(f) *Speculative Position Limit or Position Accountability Rule* For purposes of Rule 414, the position limit applicable to positions in any Single Stock Future held during the last five trading days of an expiring contract

month shall be in accordance with Commission Regulation § 41.25 and Appendix A to Chapter 4. The position accountability rule applies continuously (not just during the last 5 trading days of an expiring contract month) and is applicable to all contract months combined. **

(g) *Last Day of Trading.* All trading in a particular Contract shall terminate at the close of business on the termination date of such Contract.

(h) *Contract Modifications.* The specifications for a particular Single Stock Future shall be as set forth in the filing made with respect thereto pursuant to Commission Regulation § 41.23. If any U.S. governmental agency or body issues a law, order, ruling or directive that conflicts with the specifications set forth in this Chapter 9 or in any Specifications Supplement, such law, order, ruling or directive shall be deemed to take precedence over such specifications and become part of this Chapter 9 or of such Specifications Supplement and all open and new Contracts shall be subject thereto.

(i) *Contract Adjustments.* Adjustments to Single Stock Futures related to actions or transactions by or affecting the issuer of the Underlying Securities shall be made under the circumstances and in the manner from time to time prescribed by the Clearing Corporation. The Exchange may designate a class of security futures contracts that shall be adjusted for the aggregate amount of all cash dividends or distributions and shall be reported by the Exchange to the Clearing Corporation as prescribed in their By-Laws.

(j) *Daily Settlement Price.* (1) The Exchange will determine the daily settlement price for each Single Stock Future Contract by adding the average intraday future to stock differential to the last captured sale price of the underlying security of the regular trading session as reported on the consolidated tape.

(2) The Exchange will use the following methodology for determining the average intraday future to stock differential.

Throughout the Trading Hours for Single Stock Futures, the Exchange will periodically capture the then current quote for each futures contract and its Underlying Security. The Exchange will calculate the differential between the capture midpoints and eliminate any errant observations. The Exchange will average the differentials to produce the average daily differential for each futures contract.

(3) Notwithstanding the above, the Exchange may in its sole discretion establish a settlement price that it deems to be a fair and reasonable reflection of the market. The Exchange will consider all relevant factors, including those discussed in this provision, when establishing such a settlement price.

(k) *Final Settlement Price.* The final settlement price of a Single Stock Future shall be calculated in accordance with paragraph (j), unless the final settlement price is fixed in accordance with the Rules and By-Laws of the Clearing Corporation.

(l) *Delivery.* Delivery of a security underlying a Single Stock Future occurs as described in the Form of Specifications Supplement for each Single Stock Future. For certain classes of Single Stock Futures, delivery of the underlying security occurs within the two day settlement cycle standard in the cash market. For other classes of Single Stock Futures, delivery of the underlying security occurs within an expedited timeframe.

(m) *Underlying Stock Leg of Exchange of Future for Physical.* In the case of a screen-traded (*i.e.*, non-bilateral) Exchange of Future for Physical (“EFP”) transaction utilizing a weekly Future, the underlying security leg will settle in: three days if the EFP was entered into anytime between, and including, five days before the date of expiry and two days before the date of expiry; two days if the EFP was entered into on the day before the date of expiry; and one day if the EFP was entered into on the date of expiry.

*Amended on June 18, 2009, ** Amended on October 7, 2009, *** Amended on October 15, 2009

903. Delivery

Delivery of the Underlying Securities upon termination of a Single Stock Future, and payment of the price in respect thereof, shall be made in accordance with the Rules of the Clearing Corporation and Futures contract specifications. As promptly as possible after the receipt of a notice of delivery from the Clearing Corporation with respect to a Single Stock Future held by a Clearing Member or, if applicable, Exchange Member for a Customer, such Clearing Member or, if applicable, Exchange Member shall require such Customer to deposit the Underlying Security (in the case of a short position) or pay the aggregate price in respect thereof, in full and in cash (in the case of a long position), or in either case, if the transaction is effected in a margin account, to make the required margin deposit in accordance with the applicable regulations of the Federal Reserve Board.

904. Emergencies, Acts of God and Acts of Government

If delivery or acceptance or any precondition or requirement of either, in respect of any Single Stock Future is prevented by a strike, fire, accident, act of God, act of government or any other event or circumstance beyond the control of the parties to such Contract, the seller or buyer of such Contract shall immediately notify the Exchange. If based on such notification, the Chief Executive Officer, or any individual designated by the Chief Executive Officer and approved by the Board, determined that an Emergency exists, he or she may take such action in accordance with Rule 124 as he or she may deem necessary under the circumstances, which action shall be binding upon both parties to the Contract in question; *provided* that any action taken in accordance with

this sentence shall be reviewed by the Board as soon as practicable under the circumstances, and may be revoked, suspended or modified by the Board.

905. Form of Specifications Supplement

Supplement No. ___ Future Name: _____	
Future Symbol	
Regulatory Symbol	
Multiplier	
Expiration Cycle	
Settlement Type	
Settlement Cycle	
Dividend Exposure	
Position Limit	
Underlying	
Security Name	
Security Symbol	
Security CUSIP/CINS	
Security Type	
Security Shares	

906. Listing Standards

(a) *Initial listing standards for a security futures product based on a single security.*

For a security futures product that is physically settled to be eligible for initial listing, the security underlying the futures contract must either (a) be eligible to underlie options traded on a national securities exchange or (b) each of the following requirements, where applicable:**

- (1) It must be a common stock, an American Depositary Receipt (“ADR”) representing common stock or ordinary shares, a share of an exchange traded fund (“ETF Share”), a trust issued receipt (“TIR”) or a share of a registered closed-end management investment company (“Closed-End Fund Share”) or a note, bond, debenture, or evidence of indebtedness that is not an equity security as defined in section 3(a) 11 of the Exchange Act (“Debt Securities”).*
- (2) It must be registered under Section 12 of the Securities Exchange Act of 1934 (as amended from time to time, the “Exchange Act”), and its issuer must be in compliance with any applicable requirements of the Exchange Act.
- (3) It must be listed on a national securities exchange (“Exchange”) or traded through the facilities of a national securities association (“Association”) and reported as a

“national market system” security as set forth in Rule 11Aa3-1 under the Exchange Act (“NMS security”).

- (4) There must be at least seven million shares or receipts evidencing the underlying security outstanding that are owned by persons other than those required to report their security holdings pursuant to Section 16(a) of the Exchange Act.

Requirement (4) as Applied to Restructure Securities:

In the case of an equity security that a company issues or anticipates issuing as the result of a spin-off, reorganization, recapitalization,

restructuring or similar corporate transaction (“Restructure Security”), the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, it determines that, on the product’s intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an Exchange or automated quotation system that is subject to an initial listing requirement of no less than seven million publicly owned shares.

In the case of a Restructure Security issued or distributed to the holders of the equity security that existed prior to the ex-date of a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction (“Original Equity Security”), the Exchange may consider the number of outstanding shares of the Original Equity Security prior to the spin-off, reorganization, recapitalization, restructuring or similar corporate transaction (“Restructuring Transaction”).

- (5) In the case of an underlying security other than an ETF Share, TIR or Closed-End Fund Share, there must be at least 2,000 security holders.

Requirement (5) as Applied to Restructure Securities:

If the security under consideration is a Restructure Security, the Exchange may assume that this requirement is satisfied if, based on a reasonable investigation, the Exchange determines that, on the product’s intended listing date: (A) at least 40 million shares of the Restructure Security will be issued and outstanding; or (B) the Restructure Security will be listed on an Exchange or automated quotation system that is subject to an initial listing requirement of at least 2,000 shareholders. In the case of a Restructure Security issued or distributed to the holders of the Original Equity Security, the Exchange may consider the number of shareholders of the Original Equity Security prior to the Restructuring Transaction.

- (6) In the case of an underlying security other than an ETF Share, TIR or Closed-End Fund Share, it must have trading volume (in all markets in which the underlying security is traded) of at least 2,400,000 shares in the preceding 12 months.

Requirement (6) as Applied to Restructure Securities:

Look-Back Test: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may “look back” to the trading volume history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

- (A) The Restructure Security has an aggregate market value of at least \$500 million;*
- (B) The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;*
- (C) The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds \$50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or*
- (D) The revenues attributed to the business represented by the Restructure Security equal or exceed \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.*

For purposes of determining whether the Look-Back Test is satisfied, the term “Relevant Percentage” means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security’s closing price on its primary market on the last business day prior to the date on which the Restructure Security is selected as an underlying security for a security futures product (“Selection Date”), or the Restructure Security’s opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer’s (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months),

whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the trading volume history of an Original Equity Security for any trading day unless it also relies upon the market price history for that trading day.

In addition, once the Exchange commences to rely upon a Restructure Security's trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the Original Equity Security for any trading day thereafter.

- (7) In the case of an underlying security that is an ETF Share, TIR or Closed-End Fund Share, it must have had a total trading volume (in all markets in which the underlying security has traded) of at least 2,400,000 shares or receipts evidencing the underlying security in the preceding 12 months.
- (8) If the underlying security is a "covered security" as defined under Section 18(b)(1)(A) of the Securities Act of 1933, the market price per share of the underlying security has been at least \$3.00 for the previous five consecutive business days preceding the date on which the Exchange submits a certificate to The Options Clearing Corporation for listing and trading. For purposes of this provision, the market price of such underlying security is measured by the closing price reported in the primary market in which the underlying security is traded.

Requirements (8) as Applied to Restructure Securities:

Look-Back Test: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may "look back" to the market price history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

- (A) *The Restructure Security has an aggregate market value of at least \$500 million;*
- (B) *The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;*
- (C) *The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the aggregate book value*

of the assets attributed to the business represented by the Original Equity Security; or

- (D) The revenues attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.*

For purposes of determining whether the Look-Back Test is satisfied, the term “Relevant Percentage” means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security’s closing price on its primary market on the last business day prior to the Selection Date, or the Restructure Security’s opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer’s (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Restructure Securities Issued in Public Offering or Rights Distribution: In determining whether a Restructure Security that is distributed pursuant to a public offering or a rights distribution satisfies requirement (8), the Exchange may look back to the market price history of the Original Equity Security if: (i) the foregoing Look-Back Test is satisfied; (ii) the Restructure Security trades “regular way” on an Exchange or automatic quotation system for at least five trading days immediately preceding the Selection Date; and (iii) at the close of trading on each trading day on which the Restructure Security trades “regular way” prior to the Selection Date, as well as at the opening of trading on Selection Date, the market price of the Restructure Security was at least \$3.00.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the market price history of an Original Equity Security for any trading day unless it also relies upon the trading volume history for that trading day. In addition, once the

Exchange commences to rely upon a Restructure Security's trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the related Original Equity Security for any trading day thereafter.

- (9) If the underlying security is not a “covered security” as defined under Section 18(b)(1)(A) of the Securities Act of 1933, it must have had a market price per security of at least \$7.50, as measured by the lowest closing price reported in any market in which it has traded, for the majority of business days during the three calendar months preceding the date of selection.

Requirement (9) as Applied to Restructure Securities:

Look-Back Test: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, the Exchange may “look back” to the market price history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

- (A) *The Restructure Security has an aggregate market value of at least \$500 million;*
- (B) *The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;*
- (C) *The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or*
- (D) *The revenues attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.*

For purposes of determining whether the Look-Back Test is satisfied, the term “Relevant Percentage” means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

In calculating comparative aggregate market values, the Exchange will use the Restructure Security's closing price on its primary market on the last business day prior to the Selection Date, or the Restructure Security's opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.

Furthermore, in calculating comparative asset values and revenues, the Exchange will use the issuer's (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

Restructure Securities Issued in Public Offering or Rights Distribution: In determining whether a Restructure Security that is distributed pursuant to a public offering or a rights distribution satisfies requirement (9), the Exchange may look back to the market price history of the Original Equity Security if: (i) the foregoing Look-Back Test is satisfied; (ii) the Restructure Security trades "regular way" on an Exchange or automatic quotation system for at least five trading days immediately preceding the Selection Date; and (iii) at the close of trading on each trading day on which the Restructure Security trades "regular way" prior to the Selection Date, as well as at the opening of trading on Selection Date, the market price of the Restructure Security was at least \$7.50.

Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange will not rely upon the market price history of an Original Equity Security for any trading day unless it also relies upon the trading volume history for that trading day. In addition, once the Exchange commences to rely upon a Restructure Security's trading volume and market price history for any trading day, the Exchange will not rely upon the trading volume and market price history of the related Original Equity Security for any trading day thereafter.

(10) If the underlying security is an ADR:

(A) The Exchange must have in place an effective surveillance sharing agreement with the primary exchange in the home country where the stock underlying the ADR is traded;

(B) The combined trading volume of the ADR and other related ADRs and securities in the U.S. ADR market, or in markets with which the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 50% of the combined worldwide trading volume in the ADR, the security underlying the ADR, other classes of

common stock related to the underlying security, and ADRs overlying such other stock over the three-month period preceding the dates of selection of the ADR for futures trading (“Selection Date”);

(C)(i) The combined trading volume of the ADR and other related ADRs and securities in the U.S. ADR market, and in markets with which the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 20% of the combined worldwide trading volume in the ADR and in other related ADRs and securities over the three-month period preceding the Selection Date;

(ii) The average daily trading volume for the ADR in the U.S. markets over the three-month period preceding the Selection Date is at least 100,000 receipts; and

(iii) The daily trading volume for the ADR is at least 60,000 receipts in the U.S. markets on a majority of the trading days for the three-month period preceding the Selection Date; or

(D) The Securities and Exchange Commission and Commodity Futures Trading Commission have otherwise authorized the listing.

(11) The Exchange will not list for trading any security futures product where the underlying security is a Restructure Security that is not yet issued and outstanding, regardless of whether the Restructure Security is trading on a “when issued” basis or on another basis that is contingent upon the issuance or distribution of securities.

(12) For a security futures product that is based on an unregistered debt security, or a narrow-based index composed of unregistered debt securities to be eligible for initial listing, the security underlying the above futures contract must meet the following conditions:

(A) Each such security is a note, bond, debenture, or evidence of indebtedness that is not an equity security as defined in Section 3(a)(11) of the Exchange Act;

(B) The issuer of each such security has registered the offer and sale of the security under the Securities Act;

(C) The issuer of each such security, or the issuer’s parent if the issuer is a wholly-owned subsidiary (as such terms are defined in Rule 1-02 of SEC Regulation S-X), has at least one class of common or preferred equity security registered under Section 12(b) of the Exchange Act and listed on a national securities exchange;

(D) The transfer agent of each such security is registered under Section 17A of the Exchange Act;

(E) The trust indenture for each such security has been qualified under the Trust Indenture Act of 1939; and

(F) Be eligible to underlie options traded on a national securities exchange.*

(b) *Maintenance standards for a security futures product based on a single security.* *

(1) The Exchange will not open for trading any security futures product that is physically settled with a new delivery month, and may prohibit any opening purchase transactions in the security futures product already trading, to the extent it deems such action necessary or appropriate, unless the underlying security either (a) is eligible under the maintenance standards for options traded on a national securities exchange or (b) meets each of the following maintenance requirements; provided that, if the underlying security is an ETF Share, TIR or Closed-End Fund Share, the applicable requirements for initial listing of the related security futures product (as described in 906(a) above) shall apply in lieu of the following maintenance requirements:

(A) It must be registered under Section 12 of the Exchange Act.

(B) There must be at least 6,300,000 shares or receipts evidencing the underlying security outstanding that are owned by persons other than those who are required to report their security holdings pursuant to Section 16(a) of the Exchange Act.

(C) There must be at least 1,600 security holders.

(D) It must have had an average daily trading volume (across all markets in which the underlying security is traded) of least 82,000 shares or receipts evidencing the underlying security in each of the preceding 12 months.

Requirement (D) as Applied to Restructure Securities:

If a Restructure Security is approved for a security futures product trading under the initial listing standards in paragraph (a) of this Rule, the average daily trading volume history of the Original Equity Security (as defined in paragraph (a) of this Rule) prior to the commencement of trading in the Restructure Security (as defined in paragraph (a) of this Rule), including “when-issued” trading, may be taken into account in determining whether this requirement is satisfied.

(E) [Reserved]

(F) If the underlying security is an ADR and was initially deemed appropriate for security futures product trading under paragraph (10)(B) or (10)(C) in

paragraph (a) of this Rule, the Exchange will not open for trading security futures products having additional delivery months on the ADR unless:

- (i) The percentage of worldwide trading volume in the ADR and other related securities that takes place in the U.S. and in markets with which the Exchange has in place an effective surveillance sharing agreement for any consecutive three-month period is: (I) at least 30%, without regard to the average daily trading volume in the ADR; or (II) at least 15% when the average U.S. daily trading volume in the ADR for the previous three months is at least 70,000 receipts;
 - (ii) The Exchange has in place an effective surveillance sharing agreement with the primary exchange in the home country where the security underlying the ADR is traded; or
 - (iii) The Securities and Exchange Commission and Commodity Futures Trading Commission have otherwise authorized the listing.
- (2) The Exchange will not open trading in a security futures product with a new delivery month unless:
- (A) The underlying security is listed on a national securities exchange or is principally traded through the facilities of a national securities association and is designated as an NMS security.
- (3) If prior to the withdrawal from trading of a security futures product covering an underlying security that has been found not to meet the Exchange's requirements for continued approval, the Exchange determines that the underlying security again meets the Exchange's requirements, the Exchange may open for trading new delivery months in such security futures product and may lift any restriction on opening purchase transactions.
- (4) Whenever the Exchange announces that approval of an underlying security has been withdrawn for any reason or that the Exchange has been informed that the issuer of an underlying security has ceased to be in compliance with Exchange Act reporting requirements, each Clearing Member and Exchange Member (as such terms are defined in the Rules of the Exchange as in effect from time to time) shall, prior to effecting any transaction in security futures products with respect to such underlying security for any customer, inform such customer of such fact and that the Exchange may prohibit further transactions in such security futures products as it determines is necessary and appropriate.

*Amended on March 3, 2009, **Amended on November 7, 2009

Appendix A to Chapter 9

OCX.NoDivRisk® Processing Example

- ABC NoDivRisk futures settles at \$10.00 on the business day prior to ex-date.
- ABC stock closes at \$10.00 on the business day prior to ex-date.
- ABC stock is paying a \$0.25 dividend.
- On the business day prior to ex-date, the exchange notifies OCC of the adjustment amount and publishes an OCX.NoDivRisk Adjustment notice.
- On ex-date, OCC adjusts the prior business day's settlement for all ABC1D futures downward by the adjustment amount, which equals the sum of all distributions going "ex" that day. In this example, OCC adjusts the prior day's settlement price to \$9.75.

Appendix B to Chapter 9

NoDivRisk Product Specifications

As provided for in Rule 902(i), the Exchange has designated NoDivRisk products as a class of security futures contracts that shall be adjusted for the aggregate amount of all cash dividends or distributions and shall be reported by the Exchange to the Clearing Corporation as prescribed in their By-Laws.

The significant characteristics of NoDivRisk products are:

Canceled Distributions

If all or a portion of a distribution on a security underlying a NoDivRisk product is cancelled between ex-date and payment date, the Exchange may reverse the original adjustment that was applied on the ex-date.

Capital Gains

Capital gains are adjusted for in the NoDivRisk products.

Cash or Stock Distributions

The NoDivRisk product will be adjusted for a cash election in the same fashion that it adjusts for regular cash distributions.

Incorrect or Missing Adjustment Amount

OneChicago publishes the distribution amount on its website and conveys the amount to the OCC. The Exchange will correct any known errors up until the close of business on the ex-date. Any errors in the distribution amount identified post the close of business on the ex-date will not be corrected via an Exchange adjustment. Rather, in the case of an incorrect adjustment brought to the attention of the Exchange after the close of business on the ex-date but within ten business days, the Exchange will direct a cash transfer between the parties to the transaction.

Non-Distribution Corporate Events

All non-distributions corporate events are handled in accordance with the Rules of the Clearing Corporation.

Rounding

All distributions are summed for the instrument for that day and then rounded to 4 decimals.

Special Dividends

Special dividends are adjusted for in the NoDivRisk products.

Underlying Types-MLPs, Common Stock, REITS, ETFs, UITs, ETNs, etc.

NoDivRisk products are adjusted for all cash distributions by the underlying security.

ADR Distributions

The NoDivRisk products overlaying ADRs are adjusted by the gross United States dollar value of the distribution as announced by the home country company on the declaration date, when applicable.

The NoDivRisk adjustment may differ from the final United States dollar payment amount, which is normally caused by currency exchange rate fluctuations between the declaration date and the payment date.

For example:

Initial Announcement for ABC1D

Announcement Date	7/31/10
Ex-Dividend Date	8/3/10
Approximate Amount	*\$2.0658 USD

*OneChicago gross adjustment amount

Final Announcement for ABC1D

Announcement Date	11/19/10
Payment Date	11/25/10
Actual Amount	\$2.3680 USD

CHAPTER 10 STOCK INDEX FUTURES

1001. Scope of Chapter

This Chapter 10 is limited in application to trading in any Contract that is a “security future” (as such term is defined in Section 1a(31) of the CEA) based on a “narrow-based security index” (as such term is defined in Section 1a(25) of the CEA) (each, a “Stock Index Future”). The procedures for trading, clearing and settlement, and any other matters not specifically covered herein, shall be governed by the other Rules of the Exchange.

1002. Contract Specifications

(a) *Specifications Supplements.* The general specifications set forth in this Rule 1002 shall be subject to, and qualified by, the specific terms applicable to trading, clearing or settlement of particular Stock Index Futures, as provided in Specifications Supplements from time to time adopted by the Exchange. Each Specifications Supplement for a Stock Index Future shall be substantially in the form set forth in Rule 1005 or such other form as the Exchange may from time to time approve. No Specifications Supplement shall become effective until the Exchange has submitted to the Commission (i) a certification satisfying the requirements set forth in Commission Regulation § 41.22 and (ii) a filing satisfying the requirements set forth in Commission Regulation § 41.23, with respect to the Stock Index Future in question.

(b) *Underlying Securities.* Stock Index Futures shall be based on such indices consisting of two or more Underlying Securities, which shall satisfy the requirements set forth in Commission Regulation § 41.21(b), as may be determined from time to time by the Exchange.

(c) *Trading Hours; Delivery Months and Termination Dates.* Stock Index Futures shall be traded during such hours and for delivery in such months, and shall terminate on such dates, as may be determined from time to time by the Exchange.

(d) *Minimum Price Fluctuations.* The minimum price fluctuation for Stock Index Futures shall be \$0.01 per Contract.

(e) *Position Limit.* (1) Pursuant to Rule 414(a), the Exchange shall establish speculative position limits for each cash-settled Stock Index Future held during the last five trading days of an expiring contract month, determined according to the methodology set forth in subparagraph (2).

(2) The position limit for each cash-settled Stock Index Future shall be the number of contracts calculated according to formula (A) “Market Cap Position Limit” or (B) “SSF Position Limit” below, whichever is less, rounded to the nearest multiple of 1,000 contracts; provided, however, that if formula (A) or (B), whichever is less, calculates a number less than 500 but not less than 400 for any such Future, the position limit will be 1,000 contracts.

(A) “Market Cap Position Limit”

i. The Exchange will determine the market capitalization of the Standard & Poor’s 500 index (the “S&P 500”) as of the selection date for the component securities in an underlying Stock Index (the “Selection Date”) (the “S&P 500 Market Cap”); then

ii. The Exchange will calculate the notional value of a future position in CME’s S&P 500 futures contract at its maximum limit (the “S&P 500 Notional Value Limit”) by multiplying the S&P 500 by the position limit for Chicago Mercantile Exchange’s (“CME”) S&P 500 futures (20,000 contracts in all months combined) and by the S&P 500 contract multiplier (\$250) to calculate:

$$\text{S\&P 500 Notional Value Limit} = \text{S\&P 500} \cdot 20,000 \cdot \$250;$$

then

iii. The Exchange will divide the S&P 500 Market Cap by the S&P 500 Notional Value Limit to calculate the “Market Cap Ratio”:

$$\text{Market Cap Ratio} = \frac{\text{S\&P 500 Market Cap}}{\text{S\&P 500 Notional Value Limit}}$$

then

iv. The Exchange will calculate the market capitalization of the Stock Index by adding together the market capitalization of each stock comprising the Stock Index (the “Stock Index Market Cap”); then

v. The Exchange will calculate the notional value of the Stock Index Future (the “Notional Value”) as follows:

*Notional Value = Stock Index level * contract multiplier*

vi. The Exchange will calculate the Market Cap Position Limit of the Stock Index by dividing the Stock Index Market Cap by the product of the Notional Value of the Stock Index Future and the Market Cap Ratio:

$$\text{Market Cap Position Limit} = \frac{\text{Stock Index Market Cap}}{\text{Notional Value} * \text{Market Cap Ratio}}$$

(B) “SSF Position Limit”

i. The Exchange will calculate the notional value of the Stock Index Future (same as (A)(v) above):

*Notional Value = Stock Index level * contract multiplier*

ii. For each component security in the Stock Index, the Exchange will multiply its index weight⁷ by the Notional Value to determine that security’s proportion of the Stock Index Future.

iii. For each component security, the Exchange will divide the result in (B)(ii) by the security’s price. This equals the number of shares of that security represented in the Stock Index contract.

iv. For each component security, the Exchange will divide the number of shares calculated in (B)(iii) by 100 to obtain the implied number of 100-share contracts per Stock Index Future contract.

v. The Exchange will divide the applicable single stock futures contract speculative position limit set in Commission Regulation 41.25(a)(3) (either 13,500 or 22,500 contracts) by the number of implied 100-share contracts. This provides the number of Stock Index Futures contracts that could be held without violating the speculative position limit on a futures contract on that component security (if such single stock futures contract existed). If the security qualifies for position

⁷ Index weight of the component security = (assigned shares * price) of the component security / the sum of (assigned shares * price) for each component security.

accountability, ignore that security for purposes of this calculation.

vi. The Exchange will list the results of (B)(iv) and (B)(v). The SSF Position Limit is the minimum number of implied contracts based on this list.

(f) *Last Day of Trading.* All trading in a particular Contract shall terminate at the close of the last Business Day preceding the termination date of such Contract.

(g) *Contract Modifications.* The specifications for a particular Stock Index Future shall be as set forth in the filing made with respect thereto pursuant to Commission Regulation § 41.23. If any U.S. governmental agency or body issues a law, order, ruling or directive that conflicts with the specifications set forth in this Chapter 10 or in any Specifications Supplement, such law, order, ruling or directive shall be deemed to take precedence over such specifications and become part of this Chapter 10 or of such Specifications Supplement and all open and new Contracts shall be subject thereto.

(h) *Contract Adjustments.* Adjustments to Stock Index Futures related to actions or transactions by or affecting any issuer of Underlying Securities shall be made under the circumstances and in the manner from time to time prescribed by the Exchange.

(i) *Settlement Price.*

(1) *Daily Settlement Price.* The daily settlement price for cash-settled Stock Index Futures will be calculated in the same manner as Rule 902(j).

(2) *Final Settlement Price.* (A) The final settlement price for cash-settled Stock Index Futures shall be determined on the third Friday of the contract month. If the Exchange is not open for business on the third Friday of the contract month, the final settlement price shall be determined on the Business Day prior to the third Friday of the contract month. The final settlement price for cash-settled Stock Index Futures shall be based on a special opening quotation of the underlying stock index (“Stock Index”).

(B) Notwithstanding subparagraph (2)(A) of this Rule, if an opening price for one or more securities underlying a Stock Index Future is not readily available, the Exchange will determine whether the security or securities are likely to open within a reasonable time.

(i) If the Exchange determines that one or more component securities are not likely to open within a reasonable time, then for the component security or securities which the Exchange determined were not likely to open within a reasonable time, the last trading price of the underlying security or securities during the most recent regular trading session for such security or securities will be used to calculate the special opening quotation.

(ii) If the Exchange determines that the security or securities are likely to open within a reasonable time, then for the component security or securities which the Exchange determined were likely to open within a reasonable time, the next available opening price of such security or securities will be used to calculate the special opening quotation.

(C) For purposes of this provision:

(i) “Opening price” means the official price at which a security opened for trading during the regular trading session of the national securities exchange or national securities association that lists the security. If the security is not listed on a national securities exchange or a national securities association, then “opening price” shall mean the price at which a security opened for trading on the primary market for the security. Under this provision, if a component security is an American Depository Receipt (“ADR”) traded on a national securities exchange or national securities association, the opening price for the ADR would be derived from the national securities exchange or national securities association that lists it.

(ii) “Special opening quotation” means the Stock Index value that is derived from the sum of the opening prices of each security of the Stock Index.

(iii) “Regular trading session” of a security means the normal hours for business of a national securities exchange or national securities association that lists the security.

(iv) The price of a security is “not readily available” if the national securities exchange or national securities association that lists the security does not open on the day scheduled for determination of the final settlement price, or if the security does not trade on the

securities exchange or national securities association that lists the security during regular trading hours.

(D) Notwithstanding any other provision of this Rule, this Rule shall not be used to calculate the final settlement price of a Stock Index Future if The Options Clearing Corporation fixes the final settlement price of such Stock Index Future in accordance with its rules and by-laws and as permitted by Commission Regulation § 41.25(b) and SEC Rule 6h-1(b)(3).

1003. Delivery

Delivery of the Underlying Securities upon termination of a Stock Index Future, and payment of the price in respect thereof, shall be made in accordance with the Rules of the Clearing Corporation. As promptly as possible after the receipt of a notice of delivery from the Clearing Corporation with respect to a Stock Index Future held by a Clearing Member or, if applicable, Exchange Member for a Customer, such Clearing Member or, if applicable, Exchange Member shall require such Customer to deposit the Underlying Securities (in the case of a short position) or pay the aggregate price in respect thereof, in full and in cash (in the case of a long position), or in either case, if the transaction is effected in a margin account, to make the required margin deposit in accordance with the applicable regulation of the Federal Reserve Board.

1004. Emergencies, Acts of God and Acts of Government

If delivery or acceptance, or any precondition or requirement of either, in respect of any Stock Index Future is prevented by a strike, fire, accident, as of God, act of government or any other event or circumstance beyond the control of the parties to such Contract, the seller or buyer of such Contract shall immediately notify the Exchange. If based on such notification, the Chief Executive Officer, or any individual designated by the Chief Executive Officer and approved by the Board, determines that an Emergency exists, he or she may take such action in accordance with Rule 124 as he or she may deem necessary under the circumstances, which action shall be binding upon both parties to the Contract in question; *provided* that any action taken in accordance with this sentence shall be reviewed by the Board as soon as practicable under the circumstances, and may be revoked, suspended or modified by the Board.

1005. Form of Specifications Supplement

Supplement No. ___ Title of Stock Index Future: _____	
Underlying Securities (including numbers of values thereof):	
Weighting Methodology:	
Trading Hours:	
Delivery Months:	
Termination Dates:	
Minimum Price Fluctuation:	\$0.01 per Contract
Legal Width Market:	
Position Limit:	During the last five trading days, Contracts
Reportable Position:	
Reportable Trading Volume	
Daily Price Limit:	
Time Period for Reporting Block Trades:	Without delay
Last Day of Trading:	
Delivery Day:	
Depository for Underlying Securities:	
Other Specifications:	

1006. Listing Standards

(a) *Initial eligibility criteria for a security futures product based on an index composed of two or more securities.*

For a security futures product based on an index composed of two or more securities to be eligible for initial listing, the index must:

- (1) Meet the definition of a narrow-based security index in Section 1a(25) of the Commodity Exchange Act and Section 3(a)(55) of the Exchange Act; and
- (2) Meet the following requirements:
 - (A) (i) It must be capitalization-weighted, modified capitalization-weighted, price-weighted, share-weighted, equal dollar-weighted, approximately equal dollar-weighted, or modified equal-dollar weighted.

- (ii) In the case of a security futures product based on an approximately equal dollar-weighted index composed of one or more securities, each component security will be weighted equally based on its market price on the index selection date, subject to rounding up or down the number of shares or receipts evidencing such security to the nearest multiple of 100 shares or receipts.
 - (iii) In the case of a modified equal-dollar weighted index, each underlying component represents a pre-determined weighting percentage of the entire index. Each component is assigned a weight that takes into account the relative market capitalization of the securities comprising the index.
 - (iv) In the case of a share-weighted index, the index is calculated by multiplying the price of the component security by an adjustment factor. Adjustment factors are chosen to reflect the investment objective deemed appropriate by the designer of the index and will be published by the Exchange as part of the contract specifications. The value of the index is calculated by adding the weight of each component security and dividing the total by an index divisor, calculated to yield a benchmark index level as of a particular date. A share-weighted index is not adjusted to reflect changes in the number of outstanding shares of its components.
- (B) Its component securities must be registered under Section 12 of the Exchange Act.
 - (C) Subject to Subparagraphs (E) and (O) below, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements for listing a single-security future, as set forth in Rule 906(a).
 - (D) Each component security in the index must have a minimum market capitalization of at least \$75 million, except that each of the lowest weighted securities in the index that in the aggregate account for no more than 10% of the weight of the index may have a minimum market capitalization of only \$50 million.
 - (E) The average daily trading volume in each of the preceding six months for each component security in the index must be at least 45,500 shares or receipts, except that each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index may have an average daily trading volume of only 22,750 shares or receipts for each of the last six months.

- (F) Each component security in the index must be (i) listed on an Exchange or traded through the facilities of an Association and (ii) reported as an NMS security.
- (G) Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements must not represent more than 20% of the weight of the index.
- (H) The current underlying index value must be reported at least once every 15 seconds during the time the security futures product is traded on the Exchange.
- (I) An equal dollar-weighted index must be rebalanced at least once every calendar quarter, except that an approximately equal dollar-weighted index underlying a security futures product need only be rebalanced as provided in (L) below.
- (J) A modified equal-dollar weighted index must be rebalanced quarterly.
- (K) A share-weighted index will not be rebalanced.
- (L) An approximately equal dollar-weighted index underlying a security futures product must be rebalanced annually on December 31 of each year if the notional value of the largest component is at least twice the notional value of the smallest component for 50 per cent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the “notional value” is the market price of the component times the number of shares of the underlying component in the index. In addition, the Exchange reserves the right to rebalance quarterly at its discretion.
- (M) An underlying index may be rebalanced on interim basis if warranted as a result of extraordinary changes in the relative values of the component securities. To the extent investors with open position must rely upon the continuity of the security futures Contract on the index, outstanding Contracts are unaffected by rebalancings.
- (N) If the underlying index is maintained by a broker-dealer, the index must be calculated by a third party who is not a broker-dealer, and the broker-dealer must have in place an information barrier around its personnel who have access to information concerning changes in and adjustments to the index.
- (O) In a capitalization-weighted index, the lesser of: (i) the five highest weighted component securities in the index each have had an average daily trading volume of at least 90,000 shares or receipts over the past six months; or (ii) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of securities in

the index each have had an average daily trading volume of at least 90,000 shares or receipts over the past six months.

- (P) If a security future on an index is cash settled, it must be designated as AM-settled.

(b) Maintenance standards for a security futures product based on an index composed of two or more securities.

- (1) The Exchange will not open for trading security futures products on an index composed of two or more securities with a new delivery month unless the underlying index:
 - (A) Meets the definition of a narrow-based security index in Section 1a(25) of the Commodity Exchange Act and Section 3(a)(55) of the Exchange Act; and
 - (B) Meets the following requirements:
 - (i) Its component securities must be registered under Section 12 of the Exchange Act;
 - (ii) Subject to (iv) and (xiii) below, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements for listing a single-security future, as set forth in Rule 906(a).
 - (iii) Each component security in the index must have a market capitalization of at least \$75 million, except that each of the lowest weighted component securities that in the aggregate account for no more than 10% of the weight of the index may have a market capitalization of only \$50 million.
 - (iv) The average daily trading volume in each of the preceding six months for each component security in the index must be at least 22,750 shares or receipts, except that each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index may have an average daily trading volume of at least 18,200 shares or receipts for each of the last six months.
 - (v) Each component security in the index must be (I) listed on an Exchange or traded through the facilities of an Association and (II) reported as an NMS security.

- (vi) Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements must not represent more than 20% of the weight of the index.
- (vii) The current underlying index value must be reported at least once every 15 seconds during the time the security futures product is traded on the Exchange.
- (viii) An equal dollar-weighted index must be rebalanced at least once every calendar quarter, except that an approximately equal dollar-weighted index underlying a security futures product need only be rebalanced as provided in (I) below.
- (ix) An approximately equal dollar-weighted index underlying a physically settled security futures product must be rebalanced annually on December 31 of each year if the notional value of the largest component is at least twice the notional value of the smallest component for 50 per cent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the “notional value” is the market price of the component times the number of shares of the underlying component in the index. In addition, the Exchange reserves the right to rebalance quarterly at its discretion.
- (x) In a modified equal-dollar weighted index the Exchange will re-balance the index quarterly.
- (xi) In a share-weighted index, if a share-weighted Index fails to meet the maintenance listing standards under Rule 1006(b), the Exchange will not re-balance the index and will not issue Contracts for new delivery months for that index.
- (xii) If the underlying index is maintained by a broker-dealer, the index must be calculated by a third party who is not a broker-dealer, and the broker-dealer must have in place an information barrier around its personnel who have access to information concerning changes in and adjustments to the index.
- (xiii) In a capitalization-weighted index, the lesser of: (I) the five highest weighted component securities in the index each have had an average daily trading volume of at least 45,500 shares or receipts over the past six months; or (II) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average daily trading volume of at least 45,500 shares or receipts over the past six months.

(xiv) The total number of component securities in the index must not increase or decrease by more than 33-1/3% from the number of component securities in the index at the time of its initial listing.

(2) If the foregoing maintenance standards in subparagraph (b) are not satisfied, the Exchange will not open for trading a security futures product based on an index composed of two or more securities with a new delivery month, unless it receives the approval of the Securities and Exchange Commission and the Commodity Futures Trading Commission.

1007 Listing Standards For MicroSectors Cash Settled Narrow-Based Index Futures

(a) *Initial eligibility criteria for a MicroSector security futures product, based on an index composed of two or more securities.*

Notwithstanding Rule 1006, for a cash settled Dow Jones MicroSector security futures product, the Dow Jones MicroSector Index must:

- (1) Meet the definition of a narrow-based security index in Section 1a(25) of the Commodity Exchange Act and Section 3(a)(55) of the Exchange Act; and
- (2) Meet the following requirements:
 - (A) It must be approximately equal dollar-weighted composed of one or more securities in which each component security will be weighted equally based on its market price on the Selection Date.
 - (B) Each of its component securities must be registered under Section 12 of the Exchange Act.
 - (C) Each of its component securities must be a component security in the Dow Jones US Total Market Index or an ADR linked to a security in the Dow Jones Global Index.
 - (D) Each of its component securities must be the subject of a US exchange-traded option on the date of selection for inclusion in the index.
 - (E) Each of its component securities must have a trading history on a US exchange for at least 12 months.
 - (F) Each of its component securities must have a “float market capitalization” of at least one billion dollars.
 - (G) Each of its component securities close at or above \$7.50 for each of the trading days in the three months prior to selection for the index.

- (H) Subject to (G), (I) and (K) below, component securities that account for at least 90 per cent of the total index weight and at least 80 per cent of the total number of component securities in the index must meet the requirements for listing a single-security future contract, as set forth in Rule 906(a).
- (I) Each of its component securities must have an average daily trading volume in each of the preceding 12 months prior to selection for inclusion in the index greater than 109,000 shares (an ADR must have an average daily trading volume greater than 100,000 receipts).
- (J) Each of its component securities must be (i) listed on an Exchange or traded through the facilities of an Association and (ii) reported as an NMS security.
- (K)
 - (i) The Exchange must have in place an effective surveillance sharing agreement with the primary exchange in the home country where the stock underlying each component ADR is traded;
 - (ii) The combined trading volume of each component ADR and other related ADRs and securities in the U.S. ADR market, or in markets with which the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 50% of the combined worldwide trading volume in the ADR, the security underlying the ADR, other classes of common stock related to the underlying security, and ADRs overlying such other stock over the three-month period preceding the dates of selection of the ADR for futures trading (“Selection Date”);
 - (iii)
 - (I) The combined trading volume of each component ADR and other related ADRs and securities in the U.S. ADR market, and in markets with which the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 20% of the combined worldwide trading volume in the ADR and in other related ADRs and securities over the three-month period preceding the Selection Date;
 - (II) The average daily trading volume for the ADR in the U.S. markets over the three-month period preceding the Selection Date is at least 100,000 receipts; and
 - (III) The daily trading volume for the ADR is at least 60,000 receipts in the U.S. markets on a majority of the trading days for the three-month period preceding the Selection Date;

- (iv) The Securities and Exchange Commission and Commodity Futures Trading Commission have otherwise authorized the listing; or
 - (v) Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements must not represent more than 20% of the weight of the index.
- (L) The current underlying index value must be reported at least once every 15 seconds during the time the MicroSector futures product is traded on the Exchange.
 - (M) An index underlying a MicroSector future must be reconstituted and rebalanced if the notional value of the largest component is at least twice the notional value of the smallest component for 50 per cent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the “notional value” is the market price of the component times the number of shares of the underlying component in the index. Reconstitution and rebalancing are also mandatory if the number of component securities in the index is greater than five at the time of rebalancing. In addition, the Exchange reserves the right to rebalance quarterly at its discretion.
 - (N) The MicroSector futures products will be AM settled.
 - (O) The initial indexes underlying MicroSector futures products will be created only for industry groups that have five or more qualifying securities.

(b) *Maintenance standards for a MicroSector futures product based on an index composed of two or more securities.*

The Exchange will not open for trading MicroSector futures products that are cash settled based on an index composed of two or more securities with a new delivery month unless the underlying index:

- (1) Meets the definition of a narrow-based security index in Section 1a(25) of the Commodity Exchange Act and Section 3(a)(55) of the Exchange Act; and
- (2) Meets the following requirements:
 - (A) All of its component securities must be registered under Section 12 of the Exchange Act;
 - (B) Subject to (D) and (K) below, component securities that account for at least 90 per cent of the total index weight and at least 80 per cent of the total number of component securities in the index must meet the requirements for listing a single-security future, as set forth in Rule 906(a).

- (C) Each component security in the index must have a market capitalization of at least \$75 million, except that each of the lowest weighted component securities that in the aggregate account for no more than 10 per cent of the weight of the index may have a market capitalization of only \$50 million.
- (D) The average daily trading volume in each of the preceding six months for each component security in the index must be at least 22,750 shares or receipts, except that each of the lowest weighted component securities in the index that in the aggregate account for no more than 10 per cent of the weight of the index may have an average daily trading volume of at least 18,200 shares for each of the last six months.
- (E) Each component security in the index must be (i) listed on an Exchange or traded through the facilities of an Association and (ii) reported as an NMS security.
- (F) The current underlying index value must be reported at least once every 15 seconds during the time the security futures product is traded on the Exchange.
- (G) An approximately equal dollar weighted index underlying a MicroSector future must be reconstituted and rebalanced if the notional value of the largest component is at least twice the notional volume of the smallest component for 50 per cent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the “notional value” is the market price of the component times the number of shares of the underlying component in the index. Reconstitution and rebalancing are also mandatory if the number of component securities in the index is greater than five at the time of rebalancing. In addition, the Exchange reserves the right to rebalance quarterly at its discretion.
- (H) The total number of component securities in the index must not increase or decrease by more than 33-1/3% from the number of component securities in the index at the time of its initial listing.
- (I)
 - (i) The Exchange must have in place an effective surveillance sharing agreement with the primary exchange in the home country where the stock underlying each component ADR is traded;
 - (ii) The combined trading volume of each component ADR and other related ADRs and securities in the U.S. ADR market, or in markets with which the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 50 per cent of the combined worldwide trading volume in the ADR, the security underlying the ADR, other classes of common stock related to the underlying security, and ADRs overlying such

other stock over the three-month period preceding the dates of selection of the ADR for futures trading (“Selection Date”);

- (iii) (I) The combined trading volume of the ADR and other related ADRs and securities in the U.S. ADR market, and in markets with which the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least 20 per cent of the combined worldwide trading volume in the ADR and in other related ADRs and securities over the three-month period preceding the Selection Date;
 - (II) The average daily trading volume for the ADR in the U.S. markets over the three-month period preceding the Selection Date is at least 100,000 receipts; and
 - (III) The daily trading volume for the ADR is at least 60,000 receipts in the U.S. markets on a majority of the trading days for the three-month period preceding the Selection Date;
 - (iv) The Securities and Exchange Commission and Commodity Futures Trading Commission have otherwise authorized the listing, or
 - (v) Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements must not represent more than 20 per cent of the weight of the index.
- (3) If the foregoing maintenance standards are not satisfied prior to opening a MicroSector futures product with a new delivery month, the Exchange will either (i) replace the component security or securities that fail to meet the maintenance standards with a security or securities that qualify under the initial listing standards for MicroSector futures products set forth in paragraph (a) of this Rule, or (ii) receive the approval of the Securities and Exchange Commission and the Commodity Futures Trading Commission.

CHAPTER 11 CLEARING

1101. Rules of the Clearing Corporation

The clearing services provided by the Clearing Corporation with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts (including without limitation rights and obligations in respect of clearing and settlement, variation payments and performance at maturity), shall be governed by the Rules of the Clearing Corporation.

1102. Other Clearing Organizations

Whenever the Exchange designates a clearing organization other than the Clearing Corporation for the clearance of Contracts with respect to which there are open positions, each Clearing Member shall, as of the close of business on the second Business Day prior to the effective date of such designation, either become a Clearing Member of such new organization, or cause any such open Contracts carried by it either to be transferred to a Clearing Member of such new clearing organization or to be liquidated.