

February 20, 2026
BY ELECTRONIC FILING
Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: BTNL 2026-06 - Self-Certification Pursuant to CFTC Regulation 40.6 –
Bitnomial Exchange, LLC and Bitnomial Clearinghouse, LLC General
Rulebook Update**

Dear Mr. Kirkpatrick:

Bitnomial Exchange, LLC and Bitnomial Clearinghouse, LLC (collectively, “Bitnomial”) hereby submit for self-certification to the Commodity Futures Trading Commission (the “Commission” or “CFTC”), under Commission regulation 40.6(a), the following immaterial updates to the Bitnomial Rulebook. These updates will become effective on March 6, 2026.

Bitnomial has determined to update to the following rules:

Rule 101 Definitions;

Rule 202 Board;

Rule 204 Qualifications of Directors; Eligibility/Fitness;

Rule 206 Confidentiality;

Rule 207 Conflicts of Interest;

Rule 213 Emergency Rules;

Rule 401 Business Conduct;

Rule 402 General Trading Practices;

Rule 501 Market Hours and Operations;

Rule 504 Exchange Trading;

Rule 505 Block Trades;

Rule 603 Disciplinary Matters;

Rule 606 Rights and Responsibilities After Suspension or Termination;

Rule 801 Clearing;

Rule 802 Participants;

Rule 816 Liquidation on Termination or Suspension of Clearing Member;

Rule 1001 Trading by Officials Prohibited; Misuse of Material, Non-Public Information;

Rule 1006 Extension or Waiver of Rules;

Rule 1009 Governing Law; Legal Proceedings; and

Rule 1011 Limitation of Liabilities; No Warranties.

Core Principle Compliance

Bitnomial will continue to comply with all designated contract market (“DCM”) and derivatives clearing organization (“DCO”) Core Principles. Bitnomial has reviewed the Core Principles as set

forth under Section 5 of the Commodity Exchange Act, as amended (the “Act”), and determined that the Rulebook and procedure updates may have some bearing on the following DCM and DCO Core Principles:

Core Principle 4 - Prevention of Market Disruption: These changes comply with Core Principle 4 and CFTC Regulation 38.251, which expressly provide that a DCM must adopt and implement rules governing market participants subject to its jurisdiction to prevent, detect, and mitigate market disruptions or system anomalies associated with electronic trading.

Core Principal 7 - Availability of General Information: Notification of the rule updates has been posted to <https://bitnomial.com/exchange/regulatory> in compliance with this Core Principal.

Core Principal 12 - Protection of Markets and Market Participants: The rule updates will have no impact on Bitnomial’s duties to protect its markets and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices.

Core Principal 18 - Recordkeeping: Bitnomial is committed to its duties to maintain records pertaining to trading in a manner that satisfies the relevant criteria set forth in §1.31 of the Commission’s Regulations.

Core Principal 20 - System Safeguards: All trading activity will be subject to Bitnomial system safeguards. All trading is subject to risk analysis and oversight to identify and minimize operational risk.

Core Principle 21 - Financial Resources: The rule updates will not impact the Bitnomial’s ability to discharge its financial, operational, or managerial responsibilities as a DCM.

Core Principle B - Financial Resources: Bitnomial will continue to maintain adequate financial resources to discharge its responsibilities as a DCO.

Core Principle D - Risk Management: The changes continue to ensure Bitnomial’s ability to manage the risks associated with discharging the responsibilities of a DCO, including limiting exposure to potential losses from defaults, and maintaining margin requirements sufficient to cover potential exposures in normal market conditions.

Core Principle E - Settlement Procedures: Bitnomial will continue to complete money settlements on a timely basis to reduce risk exposure.

Core Principle F - Treatment of Funds: This core principle ensures DCOs properly manage and protect funds held on behalf of Clearing Members and their customers. Bitnomial’s updates continue to require Bitnomial to manage and protect all margin payments.

Core Principle L - Public Information: Bitnomial is publicly posting this self-certification letter on its website to ensure that market participants receive advance notice of this update.

Certification



Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), Bitnomial certifies that these changes comply with the Act and regulations thereunder. Bitnomial is not aware of any opposing views to these changes.

Bitnomial certifies that a copy of this submission has been concurrently posted on Bitnomial's website at <https://bitnomial.com/exchange/regulatory>.

If you have any questions or require further information, please contact the undersigned at james.walsh@bitnomial.com.

Sincerely, /s/

James A. Walsh
Chief Regulatory Officer
Bitnomial Exchange, LLC
Chief Compliance Officer
Bitnomial Clearinghouse, LLC

Bitnomial Exchange, LLC & Bitnomial Clearinghouse, LLC

Rulebook Changes

Rulebook: Bitnomial Exchange, LLC & Bitnomial Clearinghouse, LLC Rulebook

By accessing, or entering any order into, the Exchange, and without any need for any further action, undertaking or agreement, each Participant, Authorized User, Customer and Clearing Member agrees: (1) to be bound by, and comply with, the Rules and Applicable Law, in each case to the extent ~~applicable to it, him or her;~~[applicable](#), and (2) to become subject to the jurisdiction of the Exchange and the Clearinghouse with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant, Authorized User, Customer or Clearing Member.

Rule 101: Definitions

The following terms as used in the Rules have the meanings set forth in this Chapter, unless otherwise specifically provided elsewhere in the Rules or required by the context.

- **Account Administrator:** means an officer or employee of a Participant appointed pursuant to Rule 310.
- **Affiliate:** means a Person who directly or indirectly, controls, is controlled by, or is under common control with another Person.
- **Affiliate Participants and Clearing Members:** has a meaning set forth in Rule 1012.
- **API:** means Application Programming Interface, a programmatic software interface.
- **Applicable Law:** means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental or self-regulatory authority applicable to such Person, including the CEA and CFTC Rules.
- **Approved Financial Institution:** has the meaning set forth in Rule 803.2.7.
- **Audit Trail:** has the meaning set forth in Rule 510.
- **Authorized User:** means a natural person, authorized by the Exchange as an Authorized User in accordance with Rule 306, who is either employed by or is an agent of a Clearing Member or a Participant.
- **Bankruptcy Code:** means Title 11 of the U.S. Code.
- **Bankruptcy Event:** has the meaning set forth in Rule 818.
- **Block Trade:** means a privately negotiated transaction in a Contract that meets certain quantity thresholds and that is permitted to occur away from the Exchange and reported in accordance with Rule 505.
- **Board:** means the Board of Directors.
- **Board of Appeals:** means a panel comprised of a chair and two individuals appointed by the Board to consider appeals under Chapter 6.
- **Business Day:** means any day on which the Exchange and Clearinghouse are open for trading and clearing.
- **CEA:** means the Commodity Exchange Act, as amended from time to time.
- **CFTC:** means the U.S. Commodity Futures Trading Commission or any successor agency.
- **CFTC Rules:** means the rules, regulations and orders of the CFTC, as amended from time to time.
- **Chairman:Chair:** means the ~~Chairman~~Chair of the Board.
- **Chief Executive Officer:** means the individual appointed by the Board to serve as the chief executive officer.
- **Chief Regulatory Officer:** means the individual appointed by the Board to serve as the chief regulatory officer.
- **Clearinghouse:** means Bitnomial Clearinghouse, LLC, a Delaware limited liability company registered by the CFTC as a derivatives clearing organization that is designated by the Exchange to provide clearing services with respect to any or all of the Contracts.
- **Clearinghouse Official:** means any Officer or Employee of the Clearinghouse and any member of the Board, a committee established by the Board, a Hearing Panel or Board of Appeals.

- **Clearing Member:** means an entity meeting the requirements of, and approved for, clearing membership at the Clearinghouse that is authorized pursuant to the Rules to clear trades in any or all Contracts. Except for those Clearing Members that clear solely for their own proprietary accounts (each, an Individual Clearing Member), all other Clearing Members must be registered with the CFTC as FCMs (each, an FCM Clearing Member).
- **Clearing Member Agreement:** means an agreement between the Clearinghouse and a Clearing Member which must be signed in order for a Clearing Member to have access to the Clearinghouse for clearing services with respect to any or all of the Contracts.
- **Close-Out Value:** has the meaning set forth in Rule 818.
- **Collateral:** means such property as may be delivered by a Clearing Member to the Clearinghouse as collateral for the obligations of such Clearing Member to the Clearinghouse (including but not limited to Initial Margin and Variation Margin), and all proceeds of the foregoing and all proceeds of any of the foregoing, held in or for the accounts of a Clearing Member in connection with the financial obligations of such Clearing Member, however created, arising or evidenced, whether direct or indirect, absolute or contingent, existing, due or to become due. A list of Collateral accepted by the Clearinghouse is available on the Website.
- **Compliance Department:** has the meaning set forth in Rule 602.
- **Contract:** means any contract, agreement, or transaction approved for trading on the Exchange or for clearing by the Clearinghouse and pursuant to the Rules.
- **Contract Specifications:** means the descriptions of the contractual items for each Contract as set forth in the document available on the Website.
- **CPT:** means Central Prevailing Time.
- **Customer:** means any Person for whom a Participant carries an account (other than such Participant or any of its affiliates) or from whom a Participant solicits or accepts an order.
- **Customer Account:** means an account established by a Clearing Member with the Clearinghouse in which the Clearing Member maintains trades, positions and Margin solely for Customers of the Clearing Member.
- **Daily Settlement Price:** has the meaning set forth in Rule 509.
- **Director:** means an individual serving on the Board.
- **Disciplinary Action:** has the meaning set forth in Rule 601.
- **Disciplinary Committee:** means a function of the Compliance Department to fulfill various adjudicative responsibilities and duties described in Rule 602.
- **Emergency:** means the occurrences or circumstances which, in the opinion of the Board, require immediate action to be taken in accordance with Rule 213.
- **Exchange:** means Bitnomial Exchange, LLC, a Delaware limited liability company designated by the CFTC as a designated contract market.
- **Exchange Official:** means any Officer or employee of the Exchange and any member of the Board, a committee established by the Board, a Hearing Panel or Board of Appeals.
- ~~**Exchange Transaction:** means a Contract executed through the Trade Matching Engine.~~
- **Expiry:** means the Contract date of expiration.
- **FCM:** means a futures commission merchant as defined in the CEA and CFTC Rules and registered with the CFTC as such.
- **Fully Collateralized Swap:** means a swap contract cleared by the Clearinghouse that requires the Clearinghouse to hold, at all times, funds in the form of the required payment sufficient to cover the

maximum possible loss that a party or counterparty could incur upon liquidation or expiration of the contract, as defined in 17 CFR § 39.2.

- **FDICIA:** has the meaning set forth in Rule 818.
- **Final Settlement Price:** means the price for each Contract supplied by the Exchange to the Clearinghouse as the Final Settlement Price for the Expiry as specified in Rule 509.
- **Governmental Authority:** means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity (including any Self-Regulatory Organization).
- **Guaranty Fund:** means fund comprising the monies, securities and instruments capitalized by Clearinghouse, which fund shall be used as provided in Rule 815 to reimburse the Clearinghouse for losses sustained by the Clearinghouse as a result of the failure of any Clearing Member to discharge its financial obligations in accordance with the Rules.
- **House Account:** has the meaning set forth in CFTC Rule 39.2.
- **Initial Margin:** means the initial amount of Collateral that must be deposited with or paid to the Clearinghouse by Clearing Members in accordance with the Rules as a performance bond in respect of the Contracts held in any house account and customer accounts of such Clearing Members.
- **Investigation Team:** means a group within the Compliance Department, whose function is to fulfill the investigative and enforcement responsibilities described in Rule 602.
- **Last Trading Day:** means the last day a Contract may be traded as defined in Rule 502.
- **Liquidity Event:** has the meaning given to it in Rule 809.
- **LLC Agreement:** means the Limited Liability Company Agreement of the Exchange and Clearinghouse as amended or restated from time to time.
- **Margin:** means Initial Margin and Variation Margin or either of them.
- **NFA:** means the National Futures Association.
- **Official:** means an Exchange Official and a Clearinghouse Official.
- **Officer:** has the meaning given to it in Rule 203.
- **Order:** means any order to buy or sell a Contract on or subject to the Rules of the Exchange.
- **Participant:** means an entity that has signed the Participant Agreement for purposes of entering into [TransactionsContracts](#) for its own account or accesses the Exchange on behalf of a Customer. In addition, a Clearing Member who does not enter into [TransactionsContracts](#) for its own account shall be deemed to be a Participant hereunder solely for the purpose of accessing the Exchange in order to liquidate [TransactionsContracts](#) and any resulting positions previously submitted to the Clearinghouse for the account of such Clearing Member on behalf of a Participant that is in default for failure to perform its obligations to the Exchange or such Clearing Member (to the extent applicable).
- **Participant Agreement:** means an agreement between the Exchange and a Participant which must be signed in order for a Participant to have access to the Exchange for the execution of trades involving commodity derivative products and related financial instruments.
- **Perpetual Futures:** means a futures contract with a quarter-century expiration that is perpetually priced, margined, and settled every eight (8) hours based on the implied spot price of the Settlement Price futures contract, as specified in the product specifications.
- **Person:** means an individual, sole proprietorship, partnership, limited liability company, association, firm, trust, corporation or other entity, as the context may require.
- **Position Transfer:** means a transaction in a Contract(s) that is executed by the Exchange or the Clearinghouse personnel for administrative purposes outlined in Rule 507.

- **Price Bands:** mean a price range for aggressive orders based on the last top-of-book price as defined in Rule 504.3.1.
- **Price Limits:** mean a price range at which new Orders will be accepted as defined in Rule 504.3.2.
- **Public Director:** means a Director having the qualifications set out in Rule 202.
- **Regulatory Services Agreement:** means the agreement(s) between the Exchange or the Clearinghouse and the Regulatory Service Provider(s) whereby certain functions mandated under the CEA, such as market monitoring and trade practice surveillance, are delegated to the Regulatory Services Provider(s).
- **Regulatory Services Provider:** means NFA and such other organizations, if any, that provide regulatory services to the Exchange or the Clearinghouse, together with any such organization's employees and agents.
- **Requirements:** means the Rules; other requirements implemented by the Exchange or the Clearinghouse pursuant to the Rules; each term of a Contract; and the documentation and other contractual obligations between a Participant (including its Authorized Users) and the Exchange or a Clearing Member and the Clearinghouse.
- **Respondent:** means a Participant under investigation for alleged Rule violation(s) or against which charges have been filed.
- **Rule:** means any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, including these Rules, in each case as adopted from time to time by the Exchange or the Clearinghouse.
- **Self-Regulatory Organization:** has the meaning given to such term in CFTC Rule 1.3(ee) and includes a derivatives clearing organization that is registered as such with the CFTC.
- **Settlement Bank:** means a bank that maintains an account either for the Clearinghouse or for any of its Clearing Members, which is used for the purpose of any settlement activity described in 17 CFR § 39.14.
- **Settlement Facility:** means a facility authorized by the Exchange for the delivery or transfer of underlying assets for physically settled Contracts. For delivery of Digital Asset futures, the Settlement Facility is Bitnomial Settlement, LLC, or any successor organization authorized by the Exchange. Bitnomial Settlement, LLC is authorized by the Exchange and not licensed, approved, or registered with the CFTC. For delivery of Digital Asset spot, the Settlement Facility is Bitnomial Clearinghouse, LLC.
- **Settlement Price:** means the price for each Contract supplied by the Exchange to the Clearinghouse at the end of each trading day (Daily Settlement Price) or at the end of the Final Settlement Period on the expiration day of the Contract (Final Settlement Price).
- **Surveillance Team:** means the group within the Compliance Department that is responsible for real-time and post-trade surveillance of the Exchange's trading systems, as described in Rule 602.
- ~~**Trade Matching Engine:** means the set of algorithms through which Orders are matched.~~
- **Trade Risk Limit:** has the meaning set forth in Rule 504.
- **Trading Account:** means a trading account to be separately tracked and margined by a Participant's Clearing Member.
- **Trading Account ID:** means an Exchange assigned ID that represents a Trading Account for use by the Clearinghouse and its Clearing Members.
- **Market Hours:** means, for any Business Day, the hours specified on the trading calendar on the Website and the hours specified in Rule 501.

~~- **Trading Platform:** means the electronic trading facility operated by the Exchange to provide Participants with the ability to execute Exchange Transactions from the interaction of multiple bids and multiple offers within a predetermined, nondiscretionary automated trade matching and execution algorithm.~~

- **Transaction:** means ~~an Exchange Transaction.~~ a Contract executed on the Exchange.

- **Variation Margin:** means on the Business Day a Contract has been accepted for clearing by the Clearinghouse, the difference between the price at which such Contract was bought or sold and the Settlement Price for such Contract; obligations to pay, as applicable, any settlement variation payment and other Contract-related payments due including options premiums and upfront fees; and thereafter, the difference, as applicable, between: the Settlement Price on a given Business Day and the preceding Settlement Price for such Contract, or the price at which such Contract was closed on the books of the Clearinghouse and the preceding Settlement Price for such Contract.
- **Website:** means bitnomial.com/exchange.

Rule 202: Board

1. The Board shall manage the day to day business operations of the Exchange and the Clearinghouse. The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board or any panel of the Officers related to the day to day business operations of the Exchange and Clearinghouse.
2. The Board may act only by the decision of an absolute majority in number of the Directors by vote at a meeting, by unanimous written consent without a meeting, or as otherwise set forth in the LLC Agreement.
3. At all times, at least 35% of the Directors shall be Public Directors. Each Director (including Public Directors) shall be appointed in accordance with the LLC Agreement, and shall serve until ~~his or her~~their successor is duly appointed, or until ~~his or her~~their earlier resignation or removal, with or without cause.
4. Each Director is entitled to indemnification pursuant to the LLC Agreement with respect to matters relating to the Exchange and Clearinghouse.
5. To qualify as a Public Director, an individual must be found, by action of the Board, to have no material relationship with the Exchange or the Clearinghouse. The Board must make such finding upon the nomination or appointment of the Director and as often as necessary in light of all circumstances relevant to such Director, but in no case less than annually. A “material relationship” is one that reasonably could affect the independent judgment or decision-making of the Director. The Board need not consider previous service as a Director of the Exchange and the Clearinghouse to constitute a “material relationship.” A Director shall be considered to have a “material relationship” with the Exchange and/or the Clearinghouse if any of the following circumstances exist or have existed within the past year:
 1. such Director is or was an Officer or an employee of the Exchange or the Clearinghouse, or an officer or an employee of an Affiliate of the Exchange or the Clearinghouse;
 2. such Director is or was a Participant, Clearing Member or material owner of the Exchange or the Clearinghouse;
 3. such Director is or was a director, an officer, or an employee of a Participant, Clearing Member or owner of the Exchange or the Clearinghouse;
 4. such Director is or was an officer of another entity, which entity has a compensation committee (or similar body) on which any Officer of the Exchange or the Clearinghouse serves;
 5. such Director, or an entity with which the Director is a partner, an officer, an employee, or a director, receives or has received more than \$100,000 in combined annual payments for legal, accounting, or consulting services from the Exchange or the Clearinghouse or their Affiliates, any Participant, any Clearing Member or any Affiliate of such Participant or Clearing Member. Compensation for services as a Director of the Exchange or the Clearinghouse or as a director of an Affiliate thereof does not count toward the \$100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a Director, so long as such compensation is in no way contingent, conditioned, or revocable; or,
 6. in the case of a Public Director that is a member of the Regulatory Oversight Committee or the Exchange Participant Committee, such Public Director accepts or has accepted, directly or indirectly, any consulting, advisory, or other compensatory fee from the Exchange or its Affiliate or any Participant or any Affiliate of such Participant, other than deferred compensation for service rendered prior to becoming a member of the Regulatory Oversight Committee or the Exchange Participant Committee, provided that such compensation is in no way contingent, conditioned, or revocable.
 7. Any of the “material relationships” set forth above apply to the “immediate family” of such Director, i.e., spouse, parents, children, and siblings, in each case, whether by blood, marriage, or

adoption, or any person residing in the home of the director or that of ~~his or her~~their immediate family.

6. The compensation of the Public Directors and other non-executive members of the Board shall not be linked to the business performance of the Exchange or the Clearinghouse.
7. The Board shall have procedures, as may be further set forth in policies that the Exchange or the Clearinghouse may adopt, to remove a member from the Board where the conduct of such member is likely to be prejudicial to the sound and prudent management of the Exchange or the Clearinghouse.
8. The Board shall establish arrangements to permit consideration of Participants in connection with the functioning of the Exchange or the Clearinghouse and with additions or amendments to the Rules and shall make a description of such arrangements available to the public and to the CFTC.

Rule 204: Qualifications of Directors; Eligibility/Fitness

1. An individual may not serve as a Board member, or serve on a committee established by the Board, the Hearing Panel, or a Board of Appeals, or hold a 10% or more ownership interest in the Exchange or the Clearinghouse, if the individual:
 1. within the prior three (3) years has been found, by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization, to have committed a disciplinary offense;
 2. within the prior three (3) years has entered into a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged, included a disciplinary offense;
 3. is currently suspended from trading on a Contract Market, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation, or owes any portion of a fine or penalty related to either: (1) a finding of a disciplinary offense by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization; or (2) a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
 4. is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;
 5. is currently, or within the past three (3) years has been, subject to a revocation or suspension of registration by the CFTC;
 6. has been convicted of a felony listed in Section 8a(2)(D)(ii) through (iv) of the CEA; or
 7. is currently subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration panel or governing board of any Self-Regulatory Organization as that term is defined in Section 3(a)(26) of the Securities Exchange Act of 1934; or
 8. is subject to a statutory disqualification pursuant to Section 8a(2) of the CEA.
 9. For purposes of this Rule 204.1, the terms “disciplinary offense,” “final decision” and “settlement agreement” have the meaning given those terms in CFTC Rule 1.63(a).
2. Prior to nomination to the Board, each individual shall certify ~~he/she is~~they are not disqualified pursuant to Rule 204.1. Upon appointment, each member of the Board shall provide to the Exchange or the Clearinghouse, where applicable, changes in registration information within 30 days and certification of compliance accordingly. In addition, each member will certify on at least an annual basis regarding their continued compliance with Rule 204.1. The Exchange and the Clearinghouse shall verify information supporting Board compliance with eligibility criteria.
3. In addition, to serve as a member of the Board, an individual must possess the ability to contribute to the effective oversight and management of the Exchange and the Clearinghouse, taking into account the needs of the Exchange and the Clearinghouse and such factors as the individual’s experience, perspective, skills and knowledge of the industry in which the Exchange and the Clearinghouse operates. This shall include sufficient expertise, where applicable, in financial services, risk management, and clearing services.

Rule 206: Confidentiality

1. No member of the Board or any committee established by the Board or by or pursuant to the Rules will 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~~their official duties as a member of the Board or such committee.
2. No Exchange Official or Clearinghouse Official will:
 1. trade in any commodity interest if such officer, employee or agent obtained material non-public information concerning such financial instrument in connection with such employee's, officer's or agent's employment or
 2. disclose to any other Person material non-public information obtained in connection with such employee's, officer's or agent's employment, if such employee, officer or agent could reasonably expect that such information might assist another Person in trading any commodity interest.

Rule 207: Conflicts of Interest

1. Named Party In Interest Conflict

1. No member of the Board, the Hearing Panel, any Board of Appeals or any other disciplinary committee of the Exchange or the Clearinghouse will knowingly participate in such body's deliberations or voting in any matter involving a named party in interest where such member (1) is the named party in interest in the matter, (2) is an employer, employee or fellow employee of a named party in interest, (3) has any other significant, ongoing business relationship with a named party in interest, excluding relationships limited to Contracts, or (4) has a family relationship with a named party in interest.
2. Prior to consideration of any matter involving a named party in interest, each member of the deliberating body who does not choose to abstain from deliberations and voting will disclose to the Chief Regulatory Officer whether such member has one of the relationships listed in paragraph 1 above with a named party in interest.
3. The Chief Regulatory Officer will 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 3. Such determination will be based upon a review of the following information: (1) information provided by such member pursuant to paragraph 2 above; and (2) any other source of information that is held by and reasonably available to the Exchange.

2. Financial Interest in a Significant Action Conflict

1. No member of the Board, the Hearing Panel, any Board of Appeals or any other disciplinary committee of the Exchange or the Clearinghouse will participate in such body's deliberations and voting on any significant action if such member has a direct and substantial financial interest in the result of the vote, as determined pursuant to paragraph 3 below.
 2. Prior to consideration of any significant action, each member of the deliberating body who does not choose to abstain from deliberations and voting will disclose to the Chief Regulatory Officer any information that may be relevant to a determination of whether such member has a direct and substantial financial interest in the result of the vote.
 3. The Chief Regulatory Officer will 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 3. Such determination will be based upon a review of the following information: (1) the most recent large trader reports and clearing records available to the Exchange; (2) information provided by such member pursuant to paragraph 2 above; and (3) any other information reasonably available to the Exchange or the Clearinghouse, taking into consideration the exigency of the significant action being contemplated.
 4. Any member of the Board, the Hearing Panel, any Board of Appeals or any other disciplinary committee of the Exchange or the Clearinghouse who would otherwise be required to abstain from deliberations and voting pursuant to paragraph 1 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 will fully consider the information specified in paragraph 2 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 will consider: (1) whether such member's participation in the deliberations is necessary to achieve a quorum; and (2) whether such member has unique or special expertise, knowledge or experience in the matter being considered.
3. The minutes of any meeting to which the conflicts determination procedures set forth in this Rule apply will reflect the following information:

1. the names of all members of the relevant deliberating body who attended such meeting in person or who otherwise participated in such meeting;
2. the name of any member of the relevant deliberating body who voluntarily recused ~~himself or herself~~themselves or was required to abstain from deliberations or voting on a matter and the reason for the recusal or abstention, if stated;
3. the information that was reviewed for each member of the relevant deliberating body; and
4. any determination made in accordance with Rule 207.2.4 above.

Rule 213: Emergency Rules

1. **Emergencies.** The occurrences or circumstances which, in the opinion of the Board, require immediate action to be taken (“Emergency”), and which threaten, or may threaten, the fair and orderly trading in, or the settlement or integrity of, any Contract, including, without limitation, the following:
 1. any circumstance that may materially affect the performance of a Contract, including failure of the Clearinghouse system;
 2. any action taken by any United States or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, or any agency, department, instrumentality, or sub-division thereof; or other Person exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other contract market, clearinghouse, board of trade, or other exchange or trade association (foreign or domestic) that may have a direct impact on trading on the Exchange or the settlement legality or enforceability of any Contract;
 3. any actual, attempted or threatened corner, squeeze, congestion, manipulative activity or undue concentration of positions in a Contract;
 4. any circumstance that may have a severe, adverse effect upon the functions and facilities of the Exchange, including, but not limited to, acts of God, fire, flood or other natural disasters, bomb threats, acts of terrorism or war, severely inclement weather, or failure or malfunction of all or a portion of the ~~Trading Platform~~, Exchange’s trading systems, or other system breakdowns or interruptions such as power, computer, communication or transportation systems or the Internet;
 5. the bankruptcy or insolvency of any Clearing Member or the imposition of any injunction or other restraint by any government agency, clearinghouse, court or arbitrator upon a Clearing Member which may affect the ability of a Clearing Member to trade in or perform on a Contract;
 6. any circumstance in which it appears to the Board that a Clearing Member or any other Person: has failed to perform on a Contract; is insolvent; or is in a financial or operational condition or is conducting business such that the Clearing Member or Person cannot be permitted to continue in business without jeopardizing the safety of Participants, other Clearing Members, the Exchange or the Clearinghouse;
 7. or any other unusual, unforeseeable or adverse circumstance as determined by the Exchange
2. **Emergency Rules.** During an Emergency, the Board may implement temporary emergency procedures and Rules (“**Emergency Rules**”), subject to the applicable provisions of the CEA and CFTC Rules. Emergency Rules may require or authorize the Exchange, the Clearinghouse, the Board, any committee of the Board, the Chief Executive Officer or, in ~~his or her~~their absence, any other Officer to take actions necessary or appropriate to respond to the Emergency, including, but not limited to, the following actions:
 1. suspending or curtailing trading or limiting trading to liquidation only (in whole or in part);
 2. extending or shortening the last trading date for Contracts;
 3. providing alternative settlement mechanisms;
 4. ordering the liquidation or transfer of ~~Transactions~~, Contracts, the fixing of a Settlement Price, or the reduction of positions;
 5. extending, limiting or changing the Market Hours;
 6. temporarily modifying or suspending any provision of the Rules;
 7. requiring Participants to meet special Margin requirements;
 8. imposing or modifying trading limits, price limits and/or position limits; and/or
 9. any other action as directed by the CFTC.

Before any Emergency Rule may be adopted and enforced, a required vote of the Board must approve the enforcement of such Emergency Rule at a duly convened meeting. Directors may attend such a meeting by teleconference. If the Chief Executive Officer, or another authorized Officer, determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the Chief Executive Officer or such Officer shall have the authority, without Board action, to implement any Emergency Rules with respect to such Emergency that ~~he or she deems~~they deem necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Executive Officer or such Officer must convene a meeting as soon as practicable.

3. **Participant Notification.** Whenever the Exchange, the Clearinghouse, the Board, any committee of the Board, the Chief Executive Officer or authorized Officer takes actions necessary or appropriate to respond to an Emergency a duly authorized representative of the Exchange or the Clearinghouse, where possible, will post an announcement in a notice to Participants and Clearing Members. When the Board, any committee of the Board, the Chief Executive Officer or other authorized Officer determines that the Emergency has been reduced sufficiently to allow the Exchange and the Clearinghouse to resume normal functioning, any such actions responding to an Emergency will be terminated.
4. **CFTC Notification.** The Exchange or the Clearinghouse, as applicable, will notify the CFTC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not practicable, the Exchange or the Clearinghouse, as applicable, will notify the CFTC at the earliest possible time after implementation, but in no event more than twenty-four hours after implementation.
5. **Documentation.** Upon taking any action in response to an Emergency, the Exchange or the Clearinghouse, as applicable, will document the decision-making process related to such action. Such documentation will be kept for at least five (5) years following the date on which the Emergency ceases to exist or to affect the Exchange or the Clearinghouse, as applicable, and all such documentation will be provided to the CFTC upon request.

Rule 401: Business Conduct

1. **Regulatory Compliance.** No Participant or any of its Authorized Users and no Clearing Member shall engage in conduct that is a violation of the CEA or CFTC Rules, the Rules of the Exchange or the ~~rules~~Rules of the Clearinghouse and will conduct its business in accordance with all applicable laws, regulations, tariffs and rules, and in good faith, with a commitment to honest dealing.
2. **Fraud.** No Participant or any of its Authorized Users and no Clearing Member shall engage or attempt to engage in any fraudulent act or engage or attempt to engage in any scheme to defraud, deceive, trick or mislead in connection with or related to any Exchange or Clearinghouse activity.
3. **Good Faith.** No Participant or any of its Authorized Users shall knowingly enter, or cause to be entered, bids or offers into the system other than in good faith for the purpose of executing bona fide transactions.
4. **Transaction Integrity.** Participants and their Authorized Users shall honor the terms and conditions of the Participant Agreement and will transact in Contracts only for legitimate business purposes, such as managing business risk or that otherwise have economic substance.
5. **Antitrust.** No Participant or any of its Authorized Users and no Clearing Member shall collude with other market participants to affect the price or supply of any commodity or Contracts, or otherwise unlawfully restrain competition.
6. **Risk Management.** Participants and Clearing Members shall adopt, adhere to and enforce risk management and other policies and structures that are designed to ensure that trading activities are conducted in accordance with the Rules.

Rule 402: General Trading Practices

1. **Skills.** Each Participant and Authorized User is responsible for understanding all factors that influence the markets in Contracts in order to maintain a high level of competence in its trading.
2. **Rules.** The Exchange will provide updates and amendments to these Rules and notices or advisories regarding the application and interpretation of these Rules. It is the obligation of each Participant and its Authorized User to ensure these documents are read and understood. It shall be prohibited for a Participant and its Authorized Users to violate any Rule or any agreement made with the Exchange, or to engage in fraud, dishonorable or dishonest conduct, or conduct which is inconsistent with just and equitable principles of trade, even where a Rule does not specifically reference “Participant” or “Authorized User.”
3. **Price Manipulation, Fictitious, Non-Competitive or Artificial Transactions.** No Participant or Authorized User shall (1) effect or induce (or attempt to effect or induce) the purchase or sale of any Contract for the purpose of creating or inducing a false, misleading, or artificial appearance of activity in such Contract, or for the purpose of unduly or improperly influencing the market price of such Contract or for the purpose of making a price which does not reflect the true state of the market in such Contract, (2) effect or induce (or attempt to effect or induce) any conduct proscribed by CEA section 9(a)(2) in any Contract. No Participant or Authorized User shall arrange and execute simultaneous offsetting buy and sell Orders in a Contract with the intent to artificially affect reported revenues, trading volumes or prices.
4. **Market Manipulation.** No Participant or Authorized User shall (1) attempt to manipulate or manipulate the market in any Contract or (2) engage in any conduct proscribed by CEA section 9(a)(2). No Participant or Authorized User shall directly or indirectly participate in or have any interest in the profit of a manipulative operation or knowingly manage or finance a manipulative operation. This includes any pool, syndicate, or joint account, whether in corporate form or otherwise, organized or used intentionally for the purposes of unfairly influencing the market price of any Contract.
5. **Market Disruption.** Orders entered on the Exchange for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Participant or Authorized User 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, will be deemed to have engaged in an act detrimental to the Exchange.
6. **Disruptive Trading Practices.**
 1. No Participant or Authorized User shall knowingly enter, or cause to be entered, bids, or offers into the [Trading Platform Exchange](#) other than in good faith for the purpose of executing bona fide transactions.
 2. No Participant or Authorized User shall enter an Order or market message, or cause an Order or market message to be entered, with:
 1. The intent to cancel the Order before execution, or modify the Order to avoid execution;
 2. The intent to mislead other market participants;
 3. The intent to overload, delay, or disrupt the systems of the Exchange or other market participants;
 4. The intent to disrupt the orderly conduct of trading, or the fair execution of transactions; and/or
 5. Reckless disregard for the adverse impact of the Order or market message.
 3. No Participant or Authorized User shall knowingly enter any bid or offer for the purpose of making a market price which does not reflect the true state of the market, or knowingly enter, or

cause to be entered bids or offers other than in good faith for the purpose of executing bona fide transactions.

7. **Prohibition on the Use or Attempted use of Manipulative and Deceptive Devices.** No Participant, Authorized User or Clearing Member shall:
 1. use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;
 2. make, or attempt to make, any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading;
 3. engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any Person; or
 4. deliver or cause to be delivered, or attempt to deliver or cause to be delivered a false or misleading or inaccurate report concerning market information or conditions that affect or tend to affect the price of any commodity in interstate commerce, knowing, or acting in reckless disregard of the fact that such report is false, misleading or inaccurate. Notwithstanding the foregoing, no violation of this subsection shall exist where the Person mistakenly transmits, in good faith, false or misleading or inaccurate information to a price reporting service.
8. **Gratuities.** Except with the prior written approval of the Chief Regulatory Officer, no Participant, Authorized User or Clearing Member shall, directly or indirectly, give or permit to be given anything of value, including gifts and gratuities, to an Official in an amount that exceeds the maximum value permitted by the Exchange and the Clearinghouse gifts and entertainment policy.
9. **Rumors.** No Participant, Authorized User or Clearing Member shall knowingly circulate, in any manner, rumors of a character which might affect market conditions in any Contract; provided, however, that this shall not prohibit discussion of unsubstantiated information, so long as its source and unverified nature are disclosed.
10. **False Reports.** No Participant, Authorized User or Clearing Member shall make any knowing misstatement of a material fact to the Exchange, the Clearinghouse, any Official, or any Board committee or panel.
11. **Wash Sales.** No Participant or Authorized User shall place or accept buy and sell Orders in the same Contract and expiration month, where known or reasonably 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 sales). Buy and sell Orders by Participants or Authorized Users that are entered with the intent to negate market risk or price competition shall be deemed to violate the prohibition on wash trades. Additionally, no Participant or Authorized User shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.
12. **Financial Condition.** No trading will be conducted for the purpose of misrepresenting the financial condition of a Participant or Authorized User.
13. **Acts Detrimental to the Exchange or the Clearinghouse.** No Participant, Authorized User or Clearing Member shall engage in any act that is detrimental to the Exchange or the Clearinghouse.
14. **Misuse of the Exchange or the Clearinghouse.** No Participant, Authorized User or Clearing Member shall permit the unauthorized use of the Exchange or the Clearinghouse, to assist any Person in obtaining unauthorized access to the Exchange or the Clearinghouse, to trade on the Exchange without an agreement and an established account with a Clearing Member, to alter the equipment associated with the Exchange or the Clearinghouse (except with the Exchange or the Clearinghouse written consent), to interfere with the operation of the Exchange or the Clearinghouse, to intercept or interfere with information provided thereby, or in any way to use the Exchange or the Clearinghouse in a manner contrary to the Rules.
15. **Supervision.** A Participant shall establish, maintain and administer reasonable supervisory procedures to monitor the compliance of Authorized Users and supervised persons with the Rules and any

applicable provisions of the CEA and CFTC Rules and such Participant may be held accountable for the actions of such Authorized Users or supervised persons.

16. **Disclosing Order Information.** No Participant or Authorized User shall disclose an Order to buy or sell, except to a designated Exchange Official or the CFTC or as necessary to efficiently execute the Order nor shall any Participant solicit or induce another Participant or Authorized User to disclose Order information. No Person shall take action or direct another to take action based on non-public Order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this rule.

Rule 501: Market Hours and Operation

1. **Market Hours.** The Exchange and the Clearinghouse will be open for, respectively, trading and clearing in all listed Contracts on all business days excluding holidays specified on the Website. Market hours shall be 19:00 to 16:00 CPT, Sunday through Friday unless otherwise specified in the Contract Specifications.
2. **Procedures.** With respect to trading on or through the Exchange, the Exchange and the Clearinghouse may adopt, without limitation, procedures relating to Transactions in Contracts ~~and trading~~ on the Exchange, including procedures to:
 1. disseminate the prices of bids and offers and the prices of trades in Contracts;
 2. record and account for Contracts;
 3. perform market surveillance and regulation on matters affecting Contracts;
 4. establish limits on the number and/or size of Orders that may be submitted by a Participant or Authorized User to the Exchange;
 5. establish position limits on the number of Contracts that can be held by a Participant or customer on the Exchange;
 6. establish limits on the number of messages a Participant can send to the Exchange for a Contract in a given time frame;
 7. establish a limit on the maximum daily price fluctuations for any Contracts and provide for any related restriction or suspension of trading in such Contracts; and
 8. require a suspended or expelled Participant, or a Participant with restricted trading rights, to cause Contracts to be executed for such Participant's account to reduce or eliminate such Participant's open positions.
3. **Market Suspension and Emergencies.** The Exchange and the Clearinghouse reserve the right to adjust Market Hours and suspend market activities for all or a subset of Contracts in the case of extenuating market circumstances which include, but are not limited to, any occurrence or circumstance which threatens or may threaten such matters as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any Contracts, and which is determined by the Exchange to require immediate action, or any Emergency as defined in Rule 213.
4. **Price Limit Timer.** If a trade occurs at the Price Limit for a side, the ~~Trade Matching Engine~~ Exchange triggers a timer. If the timer elapses and no trades occur inside of the Price Limit, the Price Limits are re-calculated and reset. The resultant Price Limits are outside the original Price Limits to allow for additional price movement. The Exchange Market Operations & Risk Team may adjust the daily Price Limits at its sole discretion based on market conditions.

Rule 504: Exchange Trading

1. **Order Requirements.** To be valid, an Order must consist of the following information:
 1. ~~*Contract*~~:**Contract**: The Order must be submitted for a Contract for which Orders may be placed.
 2. ~~*Order ID*~~:**Order ID**: Must be present for identification purposes.
 3. ~~*Side*~~:**Side**: Must be either buy or sell.
 4. ~~*Quantity*~~:**Quantity**: Number of Contracts to be traded. Must be a positive integer greater than zero and less than maximum Order Quantity as defined in Contract Specifications.
 5. ~~*Price*~~:**Price**: As defined by Contract Specification.
 6. ~~*Time-In-Force*~~:**Time-In-Force**: Day or Immediate-or-Cancel (“**IOC**”). Day orders are cancelled at the end of the day’s trading session. IOCs are Orders that are immediately executed against resting Orders. If the Order cannot be fully filled, the remaining Quantity is cancelled
2. **Order Types.** The following types of Orders are allowed on the Exchange.
 1. ~~*Limit Order*~~:**Limit Order**. Allows the buyer to define the maximum purchase Price and the seller to define the minimum sale Price for a Contract. If any portion of the Order can be matched, it will be immediately executed. Buy Limit Orders will only be executed at or below the limit Price. Sell Limit Orders will only be executed at or above the limit Price. If a Limit Order is not immediately executed, it will remain in the book at the limit Price until the Order is either executed, cancelled, or expires at the end of the trading session.
3. **Submission.** Submission of an Order to the ~~Trading Platform~~**Exchange** constitutes a representation by the submitting Participant that it is acting as principal in respect of such Order. Orders may be submitted to the ~~Trading Platform~~**Exchange** via the API.

The Exchange reserves the right to temporarily or permanently defer processing Orders that may interfere with the proper functioning of the Exchange. For previously submitted Orders, additional validation checks may be run to ensure that the Order contents are still valid and that the submitting Participant has not been suspended.

1. **Price Bands.** The Exchange shall apply a price range for aggressive Orders at which new Orders will be accepted. The initial Price Bands are based on the previous day Settlement Price +/- the Price Band variation set by the Exchange Market Operations & Risk Team. The Price Band variation range is continuously re-calculated from the top-of-book price. Calendar spread Price Band variation shall be 50% of the Price Band variation listed in the Contract Rules.
2. **Price Limits.** The Exchange shall apply a price range, which may change throughout the trading session according to Rule 501.4, at which new Orders will be accepted and are computed as follows:
 1. **Futures Contracts:** the greater of 50% of the previous day Settlement Price or the price listed in the Contract Specifications.
 2. **Options Contracts:** the greater of 100% of the previous day Settlement Price or the price listed in the Contract Specifications.
 3. **Calendar spreads:** 50% of the Price Limit listed in the outright Contract Specifications.
3. **Self-Match Prevention.** The Exchange enforces Self-Match Prevention (“**SMP**”) to protect against self-trading that violates the Exchange’s Wash Trade prohibition set out in Rule 402.10. SMP prevents the matching of orders with the same Trading Account ID. The Exchange reserves the right to change behavior of SMP from time to time.
4. **Order Modification.** Previously submitted Orders can be modified prior to being fully filled.
5. **Order Cancellation.** Previously submitted Orders can be cancelled prior to being fully filled.

6. **Order Submission Period.** The Exchange will accept Orders during the period as defined in Rule 501 and Rule 502. The Exchange reserves the right to modify this schedule. All submissions, modifications or cancellations will receive acknowledgement after Exchange processing if they have been accepted.
7. **Trade Matching.** The ~~Trade Matching Engine~~Exchange matches and fills Orders from the interaction of multiple bids and multiple offers using a predetermined, nondiscretionary central limit order book (“CLOB”) and a price-time priority algorithm, meaning best prices first then on a first-in-first-out (~~FIFO~~)(“FIFO”) basis at identical prices, or as otherwise specified in the Contract Specifications.
8. **Clearing.** All matched trades generated by the ~~Trade Matching Engine~~Exchange after the application of trade risk limits give rise to bindingExchange Transactions between the applicable Participants, which will be automatically submitted to the Clearinghouse for registration and novation, as described in Chapter 8~~and 9~~ of these Rules.~~Further description of Clearinghouse procedures and rules can be found in the Clearinghouse rulebook.~~ The Exchange reserves the right to cancel erroneous trades submitted to the Clearinghouse in accordance with Rule 508.
9. **Trading Information.** The Exchange shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market. Trading information will be published on the Exchange Website at the end of the day.
10. **Messaging Policy.** The Exchange enforces a messaging policy that limits the number of messages a Participant can submit to the API.

Rule 505: Block Trades

1. The Exchange shall designate the Contracts in which Block Trades shall be permitted and determine the minimum block size for such transactions. Block sizes will be posted on the Website.
2. The following rules shall govern Block Trades:
 1. A Block Trade must be for a quantity that is at or more than the applicable minimum threshold. Orders may not be aggregated to achieve the minimum transaction size unless expressly permitted under Applicable Law.
 2. Each Participant entering into a Block Trade must be an Eligible Contract Participant, as defined by the CEA, and approved for Block Trading by the Exchange. Each Participant must have a separate and independent bona fide business purpose for entering a Block Trade.
 3. The price at which a Block Trade is executed must be fair and reasonable in light of:
 1. the size of the Block Trade,
 2. the prices and sizes of other transactions in the same contract at the relevant time,
 3. the prices and sizes of transactions in other relevant markets, including the underlying cash market and related futures markets, at the relevant time, and
 4. the circumstances of the markets or the Participants to the Block Trade.
 4. Block Trades shall not affect Orders on the Exchange's regular market.
 5. Parties to a Block Trade must ensure that each Block Trade is submitted without delay upon execution of the trade, in no event later than fifteen (15) minutes after execution via web platform. The submission must include the Contract(s), contract month(s), price, quantity of the ~~Transaction~~, Block Trade, time of execution, the respective Clearing Member, as well as any other information that the Exchange may require. The Exchange shall promptly publish price and volume information separately from the reports of Exchange transactions.
 6. Participants involved in the execution of Block Trades must maintain electronic records of all such Block Trades, including an electronic timestamp reflecting the date and time each such Order was received as well as an electronic timestamp reflecting the date and time such Order occurred or was cancelled.
3. **Trade Entry.** Block Trades must be submitted via web platform, where both approved Participants must confirm the Block Trades, specifying the identical Expiry(s) to be traded, the quantity and price, and the buyer and seller.
4. **Modification and Cancellation.** Block Trades submitted during the Exchange's Market Hours, and up to fifteen (15) minutes thereafter, are subject to immediate confirmation by the Exchange and may not be modified or cancelled. If erroneous information has been submitted as part of a Block Trade, the Exchange should be notified as soon as the error is detected. If appropriate, the Exchange will facilitate the modification of the trade on a discretionary basis; any trade modification the Exchange agrees to submit to the Clearinghouse will be done during normal Market Hours.
5. **Risk Limit Validation and Clearing.** All Block Trades will be subject to the Exchange's risk controls. Upon verification, the Block Trade will be submitted to the Clearinghouse for novation. The Exchange will make available, via a web interface, confirmation that the Block Trade has been accepted.

Rule 603: Disciplinary Matters

1. **Investigations.** The Investigation Team will investigate any matter within the Exchange or Clearinghouse's jurisdiction of which it becomes aware. The Investigation Team will commence an investigation upon the receipt of a request from Commission staff or upon the discovery or receipt of information by the Exchange or Clearinghouse that, in the judgment of the Surveillance Team, indicates a possible basis for a finding that a violation has occurred or will occur. The Investigation Team shall determine the nature and scope of its investigations in its sole discretion and will operate independently of the commercial interests of the Exchange or Clearinghouse. Absent mitigating circumstances, the Investigation Team must complete its investigation within twelve (12) months after the date the investigation is opened. Permissible mitigating circumstances include the complexity of the investigation, the number of firms or individuals involved in as potential respondents, the number of potential violations to be investigated and the volume of documentation and data that must be analyzed.

Upon request by a member of the Investigation Team, a Participant, Authorized User, Clearing Member, and Customer:

1. is obligated to appear and testify and respond in writing to interrogatories within the specified time period in connection with:
 1. the Rules;
 2. any inquiry or investigation; or
 3. any preparation by and presentation during a Disciplinary Action;
 2. is obligated to produce books, records, papers, documents or other tangible evidence in ~~its, his~~its or ~~her~~their possession, custody or control within the specified time period in connection with:
 1. the Rules;
 2. any inquiry or investigation; or
 3. any preparation by and presentation during a Disciplinary Action;
 3. may not impede or delay any Disciplinary Action.
2. **Reports of Investigations.** The Investigation Team will submit a written report of each investigation to the Disciplinary Committee and maintain a log of all investigations and their disposition. The written report of the investigation (the "**Investigation Report**") will include the reasons for initiating the investigation, all relevant facts and evidence gathered, analysis and conclusions, the Participant's or Clearing Member's disciplinary history at the Exchange or Clearinghouse, and will consist of one of the following recommendations:
 1. closing the investigation without further action;
 2. settlement;
 3. summary action;
 4. the preparation and service of a notice of charges for instituting a disciplinary proceeding; or
 5. resolving the investigation through an informal disposition, including the issuance of a warning letter. An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction, however, the investigative report must include a copy of any warning letter and no more than one warning letter for the same potential violation may be issued to the same Participant or Clearing Member during a rolling 12-month period.
 3. **Review of Reports of Investigations.** The Disciplinary Committee will determine whether a reasonable basis exists to believe that a violation within the Exchange or Clearinghouse's jurisdiction has occurred or is about to occur. The Disciplinary Committee will determine for each Respondent whether to authorize:

1. the informal disposition of the investigation (by issuing a warning letter or otherwise) because disciplinary proceedings are unwarranted; or
 2. the closing of the investigation without any action because no reasonable basis exists to believe that a violation within the Exchange or Clearinghouse's jurisdiction has occurred or is about to occur; or,
 3. the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation within the Exchange or Clearinghouse's jurisdiction has occurred or is about to occur.
4. **Opportunity to Respond.** At the discretionary authority of the Disciplinary Committee, the Compliance Department may notify the Respondent(s) that formal disciplinary charges are recommended and allow the Respondent to submit, within the specified time period, an offer of settlement or a written statement explaining why disciplinary proceedings should not be instituted or why one or more of the charges should not be brought.
5. **Service of Notice of Charges.** Once the Disciplinary Committee authorizes disciplinary proceedings, the Compliance Department will prepare and serve a notice of charges that will provide as follows:
1. state the acts, practices or conduct that the Respondent is alleged to have engaged in;
 2. state the Exchange or Clearinghouse Rule or provision of applicable law alleged to have been violated or about to be violated;
 3. state the proposed sanctions;
 4. advise the Respondent of its right to a hearing;
 5. advise the Respondent that ~~he or she has~~ they have the right to be represented by legal counsel or any other representative of its choosing in all succeeding stages of the disciplinary process;
 6. state the period of time within which the Respondent can request a hearing on the notice of charges, which will not be less than fourteen (14) days after service of the notice of charges;
 7. 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
 8. advise the Respondent that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted.

The service of notice upon the Respondent shall be deemed complete via email to the contact as it appears on the books and records of the Exchange or Clearinghouse or in the Participant Agreement or Clearing Member Agreement.

6. **Answer to Service of Notice of Charges.** If the Respondent decides to answer a notice of charges, the Respondent must file answers within fourteen (14) days after being served with such notice, or within such other time period as stated in such notice of charges. The Respondent must answer the notice of charges in writing as follows:
1. specify the allegations that the Respondent denies or admits;
 2. specify the allegations that the Respondent does not have sufficient information to either deny or admit;
 3. specify any specific facts that contradict the notice of charges;
 4. specify any affirmative defenses to the notice of charges; and
 5. sign and serve the answer on the Chief Regulatory Officer.

Failure by the Respondent to timely serve an answer to the notice of charges will be deemed to be an admission to the allegations in such notice. 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 herein.

7. **Settlement Offers.** At any time after a notice of charges has been issued, a Respondent may at any time submit to the Compliance Department a written offer of settlement related to anticipated or instituted disciplinary proceedings. The Disciplinary Committee may, in its discretion, permit the Respondent to settle disciplinary proceedings without admitting or denying the rule violations if the Respondent consents to the entry of findings and sanctions imposed. If an offer of settlement is accepted, the Disciplinary Committee shall issue a written decision specifying the rule violations it has reason to believe were committed and any penalties imposed. All offers of settlement that have been accepted by the Disciplinary Committee may not be appealed.

If the offer of settlement is not accepted by the Disciplinary Committee, or fails to become final, or is withdrawn by the Respondent, the matter will proceed as if the offer had not been made such that the Respondent shall not be deemed to have made any admissions by reason of the settlement offer and shall not be otherwise prejudiced by having submitted the settlement offer.

8. **Hearing Panel.**

1. Participants and Clearing Members may request a formal hearing on charges denied in the Respondent's answer to the notice of charges per Rule 603.6. The Hearing Panel, appointed by the Board at the recommendation of the Chief Regulatory Officer, shall be comprised of not less than three individuals from among Participants and Clearing Members (consisting of one Public Director, one representative of the brokerage community and one representative of the trading community), and/or other individuals with knowledge and experience in the financial markets, who are not involved in the conduct giving rise to the alleged Rule violations. The individuals on the Hearing Panel will serve until the related proceedings are completed. The chair of the Hearing Panel will be an individual qualified to be a Public Director.
2. The Respondent will be notified of the appointment of the Hearing Panel and must respond within 10 days by serving notice to the Chief Regulatory Officer if the Respondent seeks to disqualify any individual names to the Hearing Panel for reasonable grounds including that such individual has a financial interest in the matter. Legal counsel, other than the Chief Regulatory Officer, will decide the merits of any request for disqualification within ~~his or her~~their sole discretion. Such decision will be final and not subject to appeal.
3. Prior to the commencement of the hearing, the Respondent will be given the opportunity to review all books, records, documents, transcripts of testimony and other tangible evidence in the possession or under the control of the Exchange or Clearinghouse to be used by the Compliance Department to support the allegations and proposed sanctions in the notice of charges, except for information protected by attorney-client privilege. The Compliance Department may redact, edit or code information that could adversely affect the competitive position of the person providing the information or if such information might compromise other investigations being conducted by the Compliance Department. However, the Compliance Department may not redact, edit or code information that would impair the Respondent's ability to defend against allegations or proposed sanctions in the notice of charges.
4. The following rules shall apply in each case presented before the Hearing Panel:
 1. The Compliance Department shall prosecute the case.
 2. Formal rules of evidence do not apply.
 3. The Respondent shall be entitled to appear personally at the hearing and have the choice of being represented by legal counsel or another representative. The Respondent's representation is limited to two individuals.
 4. The Respondent has the power to cross-examine witnesses and present documentary evidence.
 5. The burden of proof is on the Compliance Department.
 6. A majority vote of the Hearing Panel is needed to find a violation of the Rules.

5. No Person shall serve on the Hearing Panel unless that Person has agreed in writing that ~~he or she~~they will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or any other information which may be obtained while serving as a member of the Hearing Panel, except for disclosures when reporting to the Board, the Compliance Department, upon request by the Commission or other Governmental Authority, or when compelled to testify in a judicial or administrative proceeding. Furthermore, no Person shall serve on the Hearing Panel if such Person has already been involved in the Disciplinary Action for any reason. The hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of the hearings, the Hearing Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.
6. The chair of the Hearing Panel shall conduct the hearing as ~~he or she~~they may deem appropriate. The chair of the Hearing Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. Legal counsel, other than the Chief Regulatory Officer, will provide guidance to the chair of the Hearing Panel on the conduct of the hearing. At the hearing, the Hearing Panel or the Compliance Department and each Respondent may:
 1. present evidence and facts determined relevant and admissible by the chair of the Hearing Panel;
 2. call and examine witnesses; and
 3. cross-examine witnesses called by other parties.
7. 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 chair of the Hearing 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 Hearing Panel determines that the Respondent had a compelling reason for failing to timely file an answer. If the Hearing Panel determines that the Respondent had a compelling reason for failing to timely file an answer, the Hearing Panel will adjourn the hearing and direct the Respondent to promptly file a written answer.
8. Reasonable notice, confirmed in writing, specifying the date, time, and place of the hearing will be given to persons entitled or required to appear before the Hearing Panel. The Hearing Panel may impose sanctions on any person that impedes or delays the progress of the hearing. Interlocutory appeals of rulings by the Hearing Panel or the chair of the Hearing Panel are not permitted.
9. If the Respondent is found to have violated one or more Rules, the written decision shall state the disciplinary action to be taken by the Exchange as well as the effective date thereof. The Hearing Panel may in such a case:
 1. issue a warning letter;
 2. issue a cease and desist order;
 3. suspend the Participant's or Clearing Member's rights to engage in ~~Exchange Transactions~~;Transactions on the Exchange;
 4. expel the Participant or Clearing Member from the Exchange or Clearinghouse; and/or
 5. impose any other sanction deemed appropriate under the circumstances.

All decisions will be subject to CFTC Rules 38.708(a)-(f).

10. The Respondent may appeal the Hearing Panel decision within fourteen (14) days of receiving the order by filing a written notice of appeal pursuant to Rule 604. The order of the Hearing Panel's

decision will become final upon expiration of fourteen (14) days after the order is served on the Respondent.

9. **Settlement.** At any time prior to the issuance of the written decision of the Hearing Panel, the Respondent may submit an offer of settlement to the Compliance Department for review. The Disciplinary Committee will determine whether to accept or reject the offer and forward the basis for its recommendation to the Hearing Panel for final determination. If the Hearing Panel agrees, the Chief Regulatory Officer will conditionally accept the settlement offer, which will become final upon the expiration of fourteen (14) days after the order of the Hearing Panel consistent with the terms of the settlement offer is served on the Respondent. The offer of settlement must detail the rule violations, including the basis for the Hearing Panel's conclusions and any sanction to be imposed, which must include full customer restitution where customer harm is demonstrated. If applicable, the decision must also include a statement that the Respondent has accepted the sanctions imposed without either admitting or denying the rule violations. The acceptance of a settlement offer and the related final order by the Hearing Panel constitutes a waiver of the Respondent's right to notice, opportunity for a hearing and review, and appeal under Exchange or Clearinghouse Rules. If the settlement offer is not accepted, fails to become final, or is withdrawn by the Respondent, the matter will proceed as if the offer had not been made and the offer and all documents related to it will not become part of the record.
10. **Sanctions.** After notice and opportunity for hearing in accordance with Exchange or Clearinghouse Rules, the Exchange will impose sanctions if any Participant, Authorized User, Clearing Member, or Person using any of the Participant's or Clearing Member's User IDs, or Customer is found to have violated or to have attempted to violate a Rule of the Exchange or Clearinghouse or provision of applicable law for which the Exchange or Clearinghouse possess disciplinary jurisdiction. All sanctions must take into account the Respondent's disciplinary history. In the event of demonstrated customer harm, any sanction must also include full customer restitution. The Exchange may impose one or more of the following sanctions or remedies:
 1. censure;
 2. limitation or restriction on trading privileges, access to the Exchange or Clearinghouse and other activities, functions or operations;
 3. suspension of trading privileges and access the Exchange or Clearinghouse;
 4. fine;
 5. restitution;
 6. disgorgement;
 7. termination of trading privileges and access the Exchange or Clearinghouse; or
 8. any other sanction or remedy deemed to be appropriate.

The Exchange may impose a fine of up to \$1,000,000 for each violation of Exchange or Clearinghouse Rules or a provision of applicable law. 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. Participants and Clearing Members will be responsible for paying any fine or other amount imposed on, but not paid by, any of its traders, supervisors, or Customers.

Rule 606: Rights and Responsibilities After Suspension or Termination

1. When the Participant's or Clearing Member's right to access the Exchange or Clearinghouse, or the association of an Authorized User with a Participant, is suspended for a period of 12 months or less, none of its rights (including the right to hold oneself out to the public as a Participant or Clearing Member; enter orders into the Exchange; clear trades through the Clearinghouse, and receive Participant rates for fees, costs, and charges) will apply during the period of the suspension, except for the right of the Participant, Authorized User or Clearing Member in question to assert claims against others as provided in the Rules. Any such suspension will not affect the rights of creditors under the Rules or relieve the Participant, Authorized User or Clearing Member in question of ~~its, his, its~~ or ~~her~~their obligations under the Rules to perform any Transactions entered into before the suspension, or for any Exchange or Clearinghouse fees, costs, or charges incurred during the suspension. The Exchange may discipline a suspended Participant or Authorized User or Clearing Member under this Chapter 6 for any violation of Applicable Law committed by the Participant or Clearing Member before, during, or after the suspension.
2. When the Participant's or Clearing Member's right to access the Exchange or Clearinghouse, or the association of an Authorized User with a Participant, is terminated, all of its rights will terminate, except for the right of the Participant or Authorized User or Clearing Member in question to assert claims against others, as provided in the Rules. Any such termination will not affect the rights of creditors under the Rules. A terminated Participant, Authorized User or Clearing Member may only seek to reinstate its right to access the Exchange or Clearinghouse by filing an application in accordance with Chapter 3 of the Rules. The Exchange and Clearinghouse will not consider the application of a terminated Participant, Authorized User or Clearing Member if such Participant or Authorized User continues to fail to appear at Disciplinary Actions without good cause, or continues to impede the progress of Disciplinary Actions.
3. A suspended or terminated Participant, Authorized User or Clearing Member remains subject to the Rules and the jurisdiction of the Exchange and Clearinghouse for acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, investigation, Disciplinary Actions, appeal of Disciplinary Actions, summary suspension, or other summary action as if the suspended or terminated Participant, Authorized User or Clearing Member still had the right to access the Exchange or Clearinghouse, or was still associated with a Participant or Clearing Member, as the case may be.

Rule 801: Clearing

1. All Contracts shall be cleared through the Clearinghouse in accordance with the Rules. The clearing services provided by the Clearinghouse with respect to any Contract, and the rights and obligations of purchasers and sellers under cleared Contracts (including rights and obligations in respect of clearing and settlement, Margin payments and performance at maturity), will be governed by the Rules.
2. Immediately upon execution of an Exchange Transaction as provided in Rule 504.8, such Transaction shall be discharged and novated in accordance with the Rules. Open positions in any Contract may only be offset by opposite Transactions in the same Contract that are executed on the Exchange.
3. The Clearinghouse shall have the right to reject Contracts that arise from Transactions and to suspend clearing of such Transactions without notice, in accordance with the ~~rules~~[Rules](#) of the Clearinghouse.
4. A Clearing Member may transfer a Contract to another Clearing Member only upon notice to the Exchange and in accordance with the Rules.
5. The Clearinghouse shall segregate customer funds in accordance with Commission Regulation 39.15.

Rule 802: Participants

1. Each Participant must assist its Clearing Member, if any, and the Clearinghouse, in the clearing of its ~~Transactions in~~ Contracts. Without limiting the generality of the foregoing, each Participant must provide its Clearing Member, if any, with a telephone number so that such Participant may be reached at any time during the day in the event that there is a discrepancy in the clearing of a ~~Transaction~~.Contract. If the Participant is not present at the time specified above, such Participant's Clearing Member, if any, will be authorized to resolve any discrepancy in the manner it deems appropriate, but such resolution will not be relevant to the determination of the liability of any party to the trade.

Rule 816: Liquidation on Termination or Suspension of Clearing Member

If a Clearing Member is in default, has been suspended by the Clearinghouse, or ceases to be a Clearing Member, then such Person shall be prohibited from establishing new positions and all open Contracts carried by the Clearinghouse for such Person shall be closed-out as expeditiously as practicable such that:

1. Open Contracts are transferred by the Clearing Member and accepted by one or more other Clearing Members, with the prior consent of the Clearinghouse, or transferred by the Clearinghouse to one or more other Clearing Members pursuant to an auction of the Contracts or other procedure instituted by the Clearinghouse;
2. Contracts subject to outstanding delivery obligations are Physically Settled or transferred by the Clearinghouse to one or more other Clearing Members pursuant to an auction of the Contracts or other procedure instituted by the Clearinghouse;
3. The President, or in the absence of the President, any Director, may determine that, in ~~his or her~~their opinion, liquidation be deferred for the protection of the financial integrity of the Clearinghouse; or
4. Open Contracts are liquidated in the manner set forth in Rule 817 to the extent that paragraphs 1, 2, or 3 do not apply.

Rule 1001: Trading by Officials Prohibited; Misuse of Material, Non-Public Information

1. Terms used in this Rule 1001 and not otherwise defined in the Rules shall have the meanings set forth in CFTC Rules 1.3 and 1.59.
2. No Official may trade, directly or indirectly:
 1. any Contract traded on or subject to the Rules or any related financial instrument, or
 2. any Contract or financial instrument where such Official has access to material nonpublic information concerning such Contract or financial instrument.
3. The Chief Regulatory Officer (or, in the case of the Chief Regulatory Officer, the Board) may grant exemptions from the provisions of paragraph (a) to Officials on a case-by-case basis under circumstances which are not contrary to the purposes of this rule and CFTC Regulation 1.59. Such circumstances may include, but are not necessarily limited to:
 1. participation in pooled investment vehicles where such Official has no direct or indirect control over ~~Transactions~~[transactions](#) effected by or for the account of the pool;
 2. service by such Official as an executor or administrator of an estate;
 3. service by such Official in any other fiduciary capacity, such as an officer of a charitable organization, in which such Official receives no pecuniary benefit from the trading of Contracts or other financial instruments;
 4. trading in Contracts or financial instruments executed on or subject to the rules of a swap execution facility, a designated contract market or a national securities exchange under circumstances in which such Official's access to material non-public information in respect of such financial instruments is sufficiently minimal or attenuated so as to be insignificant; and
 5. such other circumstances as the Chief Regulatory Officer (or, in the case of the Chief Regulatory Officer, the Board) may determine.
4. For the avoidance of doubt, participation by an Official in a retirement plan sponsored by the Exchange shall not be deemed to constitute trading directly or indirectly in a Contract or financial instrument, notwithstanding such plan's trading of Contracts or financial instruments.
5. Any Official that has received an exemption under Rule 1001.3 must:
 1. furnish to the Exchange (or, in the case of the Chief Regulatory Officer, to the Board) account statements and other documents relevant to the trading activities that are so exempted; and
 2. inform the Chief Regulatory Officer (or, in the case of the Chief Regulatory Officer, the Board) within one business day of any material change of information that may affect such Official's qualification for such exemption.
6. Officials, agents and independent contractors of the Exchange are prohibited from disclosing material non-public information obtained as a result of their employment, agency relationship or engagement with the Exchange where the Official, agent or independent contractor expected or should have reasonably expected that the information disclosed may assist a Person in trading any Contract, any Contract traded on another designated contract market or other market, or any related underlying commodity or security.

Rule 1006: Extension or Waiver of Rules

The Exchange or the Clearinghouse may, in each of its sole discretion, waive, or extend the time period for performing, any act or acts designated by the ~~rules~~Rules, but only to the extent such waiver or extension is not inconsistent with Applicable Law.

Rule 1009: Governing Law; Legal Proceedings

1. The ~~rules~~ Rules, and the rights and obligations of the Exchange, Clearinghouse, Participants, and Clearing Members under the Rules shall be governed by, and construed in accordance with, the laws of the State of Illinois applicable to contracts executed and performed wholly within the State of Illinois without regard to any provisions of Illinois law that would apply the substantive law of a different jurisdiction.
2. Any action, suit or proceeding against the Exchange or the Clearinghouse, and any of their Officials, Officers, Directors, limited liability company members, employees, agents, or any member of any committee must be brought within one (1) year from the time that a cause of action has accrued. Any such action, suit or proceeding shall be brought in the State or Federal courts located within the City of Chicago, Illinois. Each Participant and Clearing Member expressly consents, for itself and its Authorized Users, to the jurisdiction of any such court, waives any objection to venue therein, and waives any right it may have to a trial by jury.
3. In the event that a Participant or Clearing Member or an Affiliate thereof fails to prevail in a lawsuit or other legal proceeding instituted by such Participant, Clearing Member or such Affiliate against (1) the Exchange or the Clearinghouse, or (2) any Affiliate of the Exchange or the Clearinghouse or any of their respective Officials, officers, directors, equity holders, employees, agents, or any member of any committee, such Participant, Clearing Member or Affiliate shall pay to the Exchange or the Clearinghouse, as applicable, all reasonable costs and expenses, including attorneys' fees, incurred by the Exchange or the Clearinghouse in the defense of such proceeding. This paragraph (2) shall not apply to Exchange or Clearinghouse disciplinary actions, appeals thereof, or an instance in which the Board has granted a waiver of the provisions hereof.

Rule 1011: Limitation of Liability; No Warranties

1. Participant's and Clearing Member's use of the Services, the System, Exchange and Clearinghouse property and any other information and materials provided by the Exchange or the Clearinghouse, is at the Participant's and Clearing Member's own risk, and the Services, the Exchange and Clearinghouse property and any other information and materials provided by the Exchange or the Clearinghouse hereunder are provided on an "as is" and "as available" basis, without warranties or representations of any kind, express or implied, by statute, common law or otherwise including all implied warranties of merchantability, fitness for a particular purpose and non-infringement and any warranties arising from a course of dealing, usage or trade practice. The Exchange and the Clearinghouse do not guarantee that (1) Exchange and Clearinghouse property or Services will operate in an error free, secure or uninterrupted manner, or (2) any information or materials provided by the Exchange, the Clearinghouse or accessible through Exchange or Clearinghouse property will be accurate, complete, reliable, or timely, or (3) the Exchange and Clearinghouse property or any aspects of the Services will be free from viruses or other harmful components. Neither Exchange nor its Affiliates shall have any liability for the creditworthiness of any Participant or for the acts or any aspect of the Services or System. Participants and Clearing Members are solely responsible for the security and integrity of their technology. Participants and Clearing Members acknowledge that their access to the System and the Services is internet-based and that the Exchange and the Clearinghouse have no control over the internet or Participant's and Clearing Member's connections thereto. Participants and Clearing Members further acknowledge that the internet, computer networks, and communications links and devices necessary to enable Participants and Clearing Members to access and use the System and the Services are inherently insecure and vulnerable to attempts at unauthorized entry and that no form of protection can ensure Participant's and Clearing Member's data, hardware, or software or the System or other Exchange or Clearinghouse property will be fully secure. Furthermore, neither the Exchange nor the Clearinghouse shall be obligated to monitor or verify any information displayed through the System.
2. Excluding any liability for such party's fraud or willful misconduct, and excluding any indemnification obligations under a Participant Agreement or a Clearing Member Agreement (as applicable), each party agrees that in no event shall either party be liable for any indirect, special, punitive, exemplary or consequential damages, including damages for loss of profits, loss of revenue, loss or corruption of data, trading losses or business interruption and the like, arising in any manner whatsoever out of or in connection with this agreement or any use (whether or not authorized) or inability to use Exchange or Clearinghouse property or any other information or materials provided to a Participant or Clearing Member by the Exchange or Clearinghouse or accessible through the Systems or Services, including the accuracy, completeness, reliability, timeliness, quality, security, performance, or pricing of the Systems or Services or any failures, malfunctions, interruptions, degradations or delays associated therewith, regardless of whether such damages arise in tort, contract, or otherwise, and even if it has been advised of the possibility of such damages.
3. Notwithstanding the foregoing, if a court or other tribunal of competent jurisdiction should find the Exchange, the Clearinghouse or any of their Affiliates liable for any loss, damage or expenses, the aggregate liability of the Exchange, the Clearinghouse and their Affiliates, regardless of the form of action, shall in no event exceed the greater of:
 1. \$100,000 and
 2. the total commissions, fees, or other amounts (excluding any applicable taxes and duties) paid to the Exchange and Clearinghouse by the applicable Participant or Clearing Member during the six months preceding the date on which the events giving rise to such liability arose.
4. Any claim for redress or damages hereunder shall be filed in a court of competent jurisdiction or filed for arbitration in accordance with Rule 701 within one (1) year of the date on which such claim allegedly arose. Failure to institute litigation or arbitration within such time period shall be deemed to be a waiver of such claim and the claim shall be of no further force or effect. The allocations of liability in this Rule 1011 represent the agreed and bargained for understanding of the parties, and each party

acknowledges that the other party's rights and obligations hereunder reflect such allocations. The parties agree that they will not allege that this remedy fails its essential purpose.

5. Participant further agrees that the provisions of the Rules of the Clearinghouse limiting the liability of the Clearinghouse to its members shall apply to Participant as fully as if Participant were a member of the Clearinghouse mutatis mutandis. The Clearinghouse shall not be liable for any obligations of a non-clearing member, obligations of a Clearing Member to a nonmember, obligations of a Clearing Member to another member of the Clearinghouse who is acting for ~~him~~them as broker, or obligations to a Customer by a Clearing Member; nor shall the Clearinghouse become liable to make deliveries to or accept deliveries from a Customer of its Clearing Members.
6. Neither the Exchange nor the Clearinghouse will have any responsibility or liability to any Person for the use of, or any failure, error, action or omission of, the Settlement Facility.