



**Application for Asia-Pacific Incentive Program ("AIP")
Agreement for AIP Participation**

1. Applicant _____
2. Indicate other Exchange memberships or CME Group Inc. incentive programs applied for, currently held or previously held.

3. Please include a Non-Refundable Application Fee of \$2,000. Checks should be made payable to CME Group Inc.

Completed applications along with all supporting documentation and the Application for Asia-Pacific Incentive Program – Corporate Information should be submitted to:

CME Group Inc.
Audit Department
20 S. Wacker Drive
Chicago, IL 60606



**Attestation, Authorization and Agreement for
Asia-Pacific Incentive Program (“AIP”) Participation**

On behalf of my organization, I make this application for CME Group Inc. AIP. I represent that my organization meets all of the requirements for AIP which is applied for.

I do hereby agree that, if my organization is accepted as a CME Group Inc. AIP, it will comply with and agrees to be bound by the Bylaws, Certificate of Incorporation, Rules and Regulations of CME, CBOT and NYMEX and all amendments thereto.

I further acknowledge that my organization meets all of the requirements for AIP as outlined in CME Group Inc.’s AIP Questions & Answers located on CME Group Inc.’s website at <http://www.cmegroup.com/company/membership/files/AsiaPacificIncentiveProgramQA.pdf>. I further acknowledge to abide by CME Group Inc.’s Fee Policy Bulletins located on CME Group Inc.’s website at <http://www.cmegroup.com/tools-information/fee-policy-bulletins.html> regarding Firm Trading Policies. I further represent that all current and future trading activity of my organization will conform to the requirements for such trading activity established by CME Group Inc.

I authorize CME Group Inc. to obtain information from sources that CME Group Inc. deems appropriate in order to adequately evaluate and process this application. I understand that any person or firm that obtains AIP status by fraudulent representations or concealment, or by any material misstatement, shall be subject to suspension or expulsion pursuant to CME Group Inc. Rules and Regulations, as applicable.

I attest that the information provided in this Application and the Application for Asia-Pacific Incentive Program Participation – Corporate Information is accurate and complete. I further acknowledge that confirming inaccurate and/or incomplete information may subject me to CME Group Inc. disciplinary action and/or penalties.

Signed and accepted by a duly authorized representative of _____
(Organization)

Signature

Print Name

Title

Date

**CME Group Inc.
Asia-Pacific Incentive Program
Firm Trading Attestation**

(CME Group Inc. Asia-Pacific Incentive Program Firm)

The trades of a CME Group Inc. Asia-Pacific Incentive Program (“AIP”) firm may receive preferential fee rates – less than charged to non-member customers. Only the entity maintaining AIP status is entitled to the preferential fees on its AIP firm trades. The reduced fee benefit does not flow downward to 100% owned subsidiaries or to affiliates of the AIP firm.

In order for AIP firms to receive preferential fees on CME, CBOT and NYMEX trades, all trading activity must be conducted in accordance with the Questions & Answers Guide for AIPs and must be in accordance with CME Group Inc.’s Fee Policy Bulletins which can be found on CME Group Inc.’s website at <http://www.cmegroup.com/tools-information/fee-policy-bulletins.html>.

Requirements (Absolutes)

An AIP firm trading account is evidenced through:

- The financial benefit and risk shall be solely of the AIP firm – only firm capital is at risk of loss.
- No non-owner traders may make any contributions or payments to the AIP firm or AIP firm trading account nor have any capital at risk in connection with their trading of the AIP firm account.
- All contributions by owners of the AIP firm are subject to risk of loss from any and all trading and business activities of the firm.
- All profits and losses of the AIP firm account are written off to the income of the AIP firm and are taxed to the AIP firm in accordance with applicable regulations.
- All trading must be done in AIP firm trading accounts held in the name of the AIP.

Further, AIP trading activity must be conducted by traders that are:

- Bona-fide employees of the AIP; or
- Independent contractors of the AIP; or
- Bona-fide owners of the AIP; or
- Registered Commodity Trading Advisors (“CTAs”), exempt CTAs under CFTC Regulations 4.14(a)(4), 4.14(a)(5), 4.14(a)(8)(i)(D) or 4.14(a)(10), and Investment Managers authorized by the Financial Services Authority (“FSA”).

All AIP traders must be assigned unique trader IDs, those IDs and the associated AIP trader must be appropriately registered in CME Group Inc.’s Exchange Fee System and all Globex trades (orders) must be identified with the registered ID of the trader executing the trade.

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In addition, AIP firm trading must meet the following requirements:

- Traders cannot be responsible for losses beyond their share of profits earned and maintained in the account which have not yet been distributed to the trader.
- The firm must be allocated both a portion of the profits and losses of the AIP firm account.
- The profit split on agreements with any trader, including owners acting as traders, may not exceed 80/20 (i.e. 80% to the trader/20% to the firm).
 - For AIP firm trading conducted by a team of traders, the profit split to the team in total may not exceed 80/20 (i.e. 80% to the trader team/20% to the firm).
 - Further the 80% limit on profit splits to a trader or team of traders includes any individual who has a specific interest in its profitability including those involved in the training/supervision of the account(s) and/or trader(s).
- Non-owner traders cannot leave their share of profits in the firm for greater than one year without becoming an equity owner.
 - Non-owner trader's share of capital in an account may not exceed the trader's share of net profit/loss in the previous 12 month period.
 - If a trader leaves their share of any profits in the account for greater than one year, they must become an equity owner.
- The firm is prohibited from:
 - Setting minimum account balances for its traders.
 - Charging margin on positions to traders.
 - Charging fees on draws taken by traders.
 - Requiring or accepting security deposits from its traders.

Best Practices

CME Group Inc. recognizes that certain business practices may be utilized when conducting customer business as well as AIP firm trading activities. The Best Practices were established to allow firms to utilize certain business practices (most not allowed in the past) which are generally prohibited. In order to do so, the AIP firm must clearly demonstrate to CME Group Inc. their application of these non-compliant practices is not inconsistent with CME Group Inc.'s goal of providing preferential fees only for AIP firm trading activity. Such practices will be reviewed individually and in the aggregate in relation to the firm's entire trading activities and operation.

Review of such non-compliant practices will reflect the following key principles of CME Group Inc.'s AIP firm trading policies. First and foremost, the trading activity eligible for preferential fees must be conducted for the account and sole benefit of the AIP firm itself. The trading activity of individual customers/traders conducted in the name of the firm is not eligible for discounted AIP firm fees to prevent the "selling" of AIP firm rates. Further, an AIP firm may only profit/benefit from the AIP firm trading activity through the performance of the trade and not from any other source such as a commission or charge for trade execution.

Non-compliance with the Best Practices below is generally prohibited as it is indicative of the selling of rates and/or profiting from sources other than the performance of the AIP firm trade. As such, while the Best Practices are not absolutes as the Requirements are, any non-compliance of the Best Practices will be carefully reviewed with the burden of responsibility on the AIP to clearly support and demonstrate to CME Group Inc.'s satisfaction that the trading is

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of the AIP itself. Under limited circumstances in reviewing the totality of the AIP's trading operations and the violative practice(s), CME Group Inc. may deem the AIP's trading activities in accordance with CME Group Inc.'s policies for AIP trading activity that is eligible for AIP fees. **Please check the box next to each practice which you do not comply with regarding your AIP firm trading:**

- The firm may not charge interest on debit balances to traders nor may it pay interest on credit balances to traders except where an options trading strategy is utilized in which interest on the premium is a key component of the overall profitability of the strategy.
- The firm may not pay interest on holdbacks where holdbacks are permitted.
- The firm may not pay interest on capital contributions.
- The firm may not allocate expenses to trades or traders in excess of actual direct and indirect expenses of the individual AIP firm trades or traders. Only actual expenses incurred may be allocated – a mark up on expenses is not permitted. Further, opportunity costs may not be allocated. AIPs must maintain and provide adequate supporting calculations and documentation of such allocated expenses and their reasonableness.
- A firm may not charge a fee for capital usage to individual traders of the firm's accounts.
- A firm may not charge a fee for the cost of capitalizing the firm (and thus the firm's trading accounts) to individual traders.
- Individual owners and investing LLCs (as permitted) of an AIP may not have a specific interest in the profitability of an AIP account or group of accounts other than an AIP account that the individual owners or owners of the investing LLC trade or provide direct supervision/training to.

I represent that all current and future AIP firm trading activity of my organization, an AIP firm, receiving preferential clearing fee rates will conform to the requirements for such trading activity established by CME Group Inc.

I attest that the above information is true and correct. I further acknowledge that confirming incorrect information may subject me to CME Group Inc. disciplinary action and/or penalties.

Signed and accepted by a duly authorized representative of my organization.

Signature

Print Name

Title

Date



DESIGNATED SPOKESPERSON AND AUTHORIZED SIGNOR ACKNOWLEDGEMENT

CME Group Inc. requires that firms designate a representative who shall be authorized to deal with the Exchanges with respect to the membership owned or leased by the firm, as applicable and who shall be authorized to represent the Asia-Pacific Incentive Program ("AIP") firm before the Exchanges. Such authorized representative shall be responsible to the Exchanges as if such person was a member as defined by Rule 400.

AIP Firm Name _____

Address _____

City _____ State _____ Country _____ Zip Code _____

Phone Number _____ Tax I.D. # _____

Email Address* _____

Name and Signature of Officers Authorized to act on behalf of the firm:

Name (please print)	Signature	Designated Spokesperson	Authorized Signor
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

Signature

Print Name

Title

Date

*General Correspondence will be sent electronically.